92-919

No.

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1992

MORRIS J. EISEN,

Petitioner,

vs.

UNITED STATES OF AMERICA,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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Questions Presented

1. Whether the Second Circuit Court of Appeals and various other Circuit Courts of Appeals have misapplied the decision of this Court in United States v. Nardello, 393 U.S. 286 (1969), and in so doing have misconstrued the provision of RICO requiring state predicates to be "chargeable under state law." (18 U.S.C. § 1961[1][A]).

2. Whether the RICO statute is unconstitutionally vague both on its face and as applied.

List of Parties

Apart from the petitioner, Morris J. Eisen, the other parties to the appeal before the United States Court of Appeals for the Second Circuit, whose judgment is sought to be reviewed, were Joseph P. Napoli, Harold M. Fishman, Dennis Rella, Marty Gabe, Geraldine G. Morganti and Alan Weinstein.

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No. _____

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1992

MORRIS J. EISEN,

Petitioner,

- against -

UNITED STATES OF AMERICA,

Respondent.

PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF
APPEALS FOR THE SECOND CIRCUIT

Morris J. Eisen respectfully requests that a Writ of Certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit entered on August 17, 1992, as well as the Order of the Court of Appeals for the Second Circuit denying his Petition for a Rehearing with the Suggestion For Rehearing En Banc, entered on October 20, 1992.

Opinions Below

The opinion of the United States Court of Appeals for the Second Circuit, United States v. Eisen, 974 F.2d 246 (2d Cir. 1992), Dkt. No. 91-1549(L) (August 17, 1992), is annexed in the Appendix hereto at 1a-45a. The order of the Second Circuit Court of Appeals denying a Petition For A Rehearing Containing A Suggestion For Rehearing En Banc appears in the Appendix at 46a.

Statement of Jurisdiction

The judgment of the United States Court of Appeals for the Second Circuit, affirming Petitioner's conviction, was entered on August 17, 1992. On October 20, 1992, the Court of Appeals denied a Petition for Rehearing Containing A Suggestion for Rehearing En Banc. The jurisdiction of the Court is invoked pursuant to 28 U.S.C. § 1254(1).

Constitutional Provision

The Fifth Amendment to the United States Constitution provides:

> "No person shall be . . . deprived of life, liberty, or property, without due process of law . . . ."

Statement of the Case

Morris J. Eisen and seven others were indicted and charged, in the United States District Court for the Eastern District of New York, with a substantive RICO count, 18 U.S.C. § 1962(c) (Count I) and RICO

conspiracy in violation of 18 U.S.C. § 1962(d) (Count II). The Petitioner Eisen was charged with the commission of six predicate acts alleging either mail fraud or state law bribery or both. One of the six predicates was dismissed prior to the submission of the case to the petit jury. Petitioner Eisen was ultimately found guilty of committing three of the six racketeering acts which he was originally charged with and as a result, was convicted under Count I and II of the indictment.

In September 1991 the Petitioner was sentenced, under the Sentencing Guidelines, to concurrent terms of 57 months imprisonment and two years supervised release on each count; a fine of $100,000 and a special assessment of $100 were imposed. He was ordered to

forfeit $500,000 and to make restitution in the amount of $17,100.

On September 19, 1991, Petitioner filed a Notice of Appeal to the United States Court of Appeals for the Second Circuit. On August 17, 1992, the Court of Appeals affirmed his conviction. On October 20, 1992, the Court of Appeals denied his Petition for Rehearing with a Suggestion for Rehearing En Banc.

On October 27, 1992, Petitioner Eisen moved before the United States Court of Appeals for the Second Circuit, pursuant to Rules 41 and 9(b) of the Federal Rules of Appellate Procedure, for an order staying the issuance of the mandate pending determination of defendant's Petition for a Writ of Certiorari and for bail. By order dated October 30, 1992 the Court of Appeals for the Second Circuit granted Petitioner's application,

admitting him to bail and staying the issuance of the mandate pending determination of its Petition for a Writ of Certiorari. The order of October 30, 1992 appears in the Appendix at p. 47a.

Statement of Facts

The Petitioner Morris J. Eisen established Morris J. Eisen, P.C., a New York City law firm which specialized in the representation of plaintiffs in tort litigation. Morris J. Eisen, P.C., was a large firm which, over its 35-year history, handled literally thousands of cases. The firm was lead counsel in many major product liability cases including landmark cases such as the Great Adventure and MGM fire litigations, and the Achille Lauro suits. The firm employed numerous attorneys and had a large support staff. The Petitioner Eisen did not personally handle all aspects of the firm's

operations; a great deal of the responsibility was handled by others. His principal function at the firm was negotiating settlements with adversaries and appearing in court for settlement conferences.

Much of the Eisen firm operated with relative autonomy. Indeed, at the trial below, District Court Judge Charles Sifton offered his conclusion that "this is not a group of attorneys who all met together and decided on common ways of doing business or practice . . . " He further observed, "as this jury is learning about this law firm, it has, it seems to me, come to appreciate, as I have, that it was not a monolithic whole." Such activities as signing up cases, pretrial investigative work, trial preparation, litigation strategy, preparation of witnesses and actual trials were handled

by a variety of lawyers, investigators and support personnel. Various trial lawyers were associated with the firm, some as employees but many others as what might best be described as independent contractors. Trial lawyers often brought in their own cases, selected their own investigators and frequently had a greater financial stake in the outcome of the case than did the Eisen firm.

Although other witnesses testified about misconduct charged as predicate acts against other co-defendants, only a small portion of the evidence purported to link the defendant Eisen personally to any improprieties. The government case against him hung on the uncorroborated testimony of three individuals -- William Stanton, Steven DiJoseph and Frank Layne -- all self-confessed "accomplices" who had demonstrated a willingness to lie

under oath and a history of having done so. Despite immunity grants, each of them also had considerable incentive to lie in order to implicate Eisen at his trial and to curry favor with the government. It was their word, and their word alone, which was the basis for establishing Eisen's alleged involvement.

After a five month trial, the jury found Petitioner guilty of misconduct in connection with only three cases handled by the firm.

During the trial below counsel for the Petitioner had urged the District Court, with respect to the RICO predicate acts which depended upon alleged violations of the New York State Penal Law, that the government be required to corroborate the testimony of accomplice

witnesses utilized to prove these allegations.[1]

The District Court was asked to charge the petit jury that they had to find that the testimony of accomplice witnesses had been corroborated with regard to the state predicates relied upon. The lower court refused to give that instruction or to otherwise require the government to corroborate the testimony of any accomplice witnesses with regard to the state predicates. It was argued before the District Court and subsequently on appeal that, under New York law, a crime is not "chargeable"

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[1]The defendant was charged in the federal RICO indictment with violating, inter alia, Sections 215.00(a) and 20.00 of the New York Penal Law, which prohibit bribery under New York state law.

unless the testimony of any accomplice witnesses has been corroborated.[2]

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[2]Under the provisions of New York law one can only be prosecuted for a crime which carries a potential sentence in excess of a year imprisonment by grand jury indictment. N.Y.Const. art. 1, § 6; N.Y. CPL § 200.10. Under New York law, an indictment charging an individual with a felony must be based upon legally sufficient evidence, CPL 190.65(1), further, "[n]o conviction of an offense by verdict is valid unless based upon trial evidence which is legally sufficient." N.Y. CPL § 70.20. Section 70.10 of the New York Criminal Procedure Law defines what shall constitute legally sufficient evidence to justify a grand jury with charging an individual with a felony under New York law. Section 60.22 of the CPL provides that: "A defendant may not be convicted of any offense upon the testimony of an accomplice unsupported by corroborative evidence tending to connect the defendant with the commission of such offense." Unless the proof before the grand jury meets the requirements, inter alia, of Section 70.10 of the Criminal Procedure Law, a person cannot be indicted or charged. Section 70.10 of the CPL provides that the legally sufficient evidence to justify a charge comprises: "[C]ompetent evidence which, if accepted as true, would establish every element of an offense charged and the defendant's commission thereof; except that such evidence is not legally sufficient when corroboration required by law is absent" (emphasis added).

Under New York State Law one cannot be charged and/or convicted of an offense carrying a penalty of imprisonment in excess of a period of one year unless any testimony given by an accomplice is "legally corroborated."

The District Court and the Court of Appeals for the Second Circuit rejected the defendant's contention that 18 U.S.C. § 1961(1)(A) required that the conduct at issue literally be "chargeable" under state law.[3] In the Petition for Rehearing, with Suggestion for Rehearing En Banc, submitted on behalf of the defendant Eisen, the Court was

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[3]Although this issue was specifically raised before the United States Court of Appeals for the Second Circuit, the Court did not address the argument in its written opinion. Since this issue had been raised in two cases previously, the Court of Appeals undoubtedly considered that the matter had been settled within the law of the Circuit. See Paone, 782 F.2d at 393; Friedman, 854 F.2d at 565-66.

specifically asked to consider its prior decisions in United States v. Paone, 782 F.2d 386, 393 (2d Cir. 1986), cert. denied, 479 U.S. 882 (1987), and United States v. Friedman, 854 F.2d 535, 565-66 (2d Cir. 1988), cert. denied, 490 U.S. 1004 (1989), against the background of what appeared to be an inexplicable divergence in the law of the Second Circuit on the construction and application of the holding by this Court in United States v. Nardello, 393 U.S. 286 (1969). The Petition for Rehearing was denied without opinion.

REASONS FOR GRANTING THE WRIT

I.

THE SECOND CIRCUIT COURT OF APPEALS -- AND VARIOUS OTHER CIRCUIT COURTS OF APPEALS -- HAVE APPLIED THE RICO STATUTE IN A MANNER WHICH CONFLICTS WITH THE DECISION OF THIS COURT IN UNITED STATES v. NARDELLO. MOREOVER, A SPLIT IN THE CIRCUITS EXISTS AS TO WHETHER OR NOT UNITED STATES v. NARDELLO PERMITS THE "NON-INCORPORATION" OF THE ELEMENTS OF STATE OFFENSES WHICH SERVE AS PREDICATES FOR FEDERAL PROSECUTIONS UNDER THE TRAVEL ACT AND/OR RICO.

The Second Circuit, and several other Courts of Appeals, have ruled that the statutory phrase contained in 18 U.S.C. § 1961(1)(A), that state offenses must be "chargeable under state law," does not require the "incorporation" of the elements of state offenses within federal RICO prosecutions, nor does it require consideration of any relevant state defenses. The Second Circuit described its view of the requirements of this

section of the RICO statute in United States v. Bagaric, 706 F.2d 42, 63 (2d Cir.), cert. denied, 464 U.S. 840 (1983). As the Court held; "Section 1961 requires, in our view, only that the conduct on which the federal charge is based be typical of the serious crime dealt with by the state statute, not that the particular defendant be 'chargeable under state law'." (quoting United States v. Frumento, 563 F.2d 1083, 1087 n.8A (3d Cir. 1977) (emphasis added).

The instant Petition raises the question of what proof the government must establish in a criminal RICO prosecution which depends, in whole or in part, upon state offenses as predicates for the "pattern of racketeering activity." More specifically, when state predicates are utilized to satisfy the element of a pattern of racketeering activity, it

presents the issue of whether the government is required, by virtue of the statutory language of RICO (to wit, § 1961[1][A]), to prove all of the underlying elements of such state offense(s) and/or meet any applicable state defenses.

This Petition will further demonstrate that as the result of an anomaly in the law of the Second Circuit, as well as other Circuit Courts of Appeals, as to the application of the holding by this Court in United States v. Nardello, 393 U.S. 286, 289-95 (1969), Section 1961 of RICO is continually misapplied. Certiorari should be granted so this Court can provide the necessary guidance to the lower federal courts as to how the provision of the RICO statute set forth at 18 U.S.C. § 1961(1)(A) is to be construed and applied.

To frame the issue in its proper context, Section 1961(1)(A) requires that in order for a state crime to qualify as a "racketeering act," it must be:

> [A]ny act or threat involving murder, kidnapping, gambling, arson, robbery, bribery, extortion, or dealing in narcotic or other dangerous drugs, which is chargeable under State law and punishable by imprisonment for more than one year (emphasis added).

As the result of Bagaric and similar holdings by other Circuit Courts of Appeals, it has now been established that it is entirely unnecessary for a federal prosecutor, in a RICO case depending upon state predicates, to establish all or any of the elements of the particular state offense(s) alleged or to meet any recognized state defenses to such charges. In support of these holdings, the Second Circuit and others have taken the position that this Court's decision in United

States v. Nardello, 393 U.S. 286 (1969), compels the conclusion that state offenses are not "incorporated" into the RICO statute as a result of the statutory language which appears at 18 U.S.C. § 1961(1)(A). As it will be demonstrated below, not only does this Court's holding in Nardello fail to support such conclusions, but the law of the very Circuits in which such holdings have been pronounced contradict their own findings.

With the exception of two Circuit Courts of Appeals (the Fifth and the Seventh), every Circuit to reach the issue of whether Nardello can be read to permit so-called "non-incorporation" of the elements of underlying state offenses in Travel Act cases, has ruled that it can not. Nevertheless, these same Courts, in their construction of Section 1961 of RICO, have inexplicably adopted a

diametrically opposite position as to what the holding of Nardello stands for. Irreconcilably, when discussing RICO, these same Courts contend that the decision in Nardello can be read to permit "non-incorporation." And as a result, only proof of "generic" conduct, not proof of the elements of the underlying state offense, is therefore necessary to satisfy Section 1961.

This distinction in the interpretation of Nardello reached by Bagaric and other courts cannot conceivably flow from any of the differences which may exist between the statutory language of the Travel Act and that of RICO. The relevant language of the Travel Act, construed by this Court in Nardello, appears in 18 U.S.C. § 1952(a)(2); to wit, "Whoever travels in interstate . . . commerce . . . to

further any unlawful activity" (emphasis added). The statute defines "unlawful activity" as, inter alia, "offenses in violation of the laws of the State in which they are committed." Conversely, 18 U.S.C. § 1961(1)(A) expressly requires that under RICO the conduct must be "chargeable" under state law."

In light of the far more explicit language of Section 1961, axiomatically, no logical justification can be advanced to support the concept that Nardello should require something less for RICO. Moreover, it is particularly interesting to note that no Court that has ever even made the contention that the difference in the application of the holding in Nardello is based upon any consequential difference between the language of the Travel Act and RICO. Nor has any other rationale ever been proffered, by any circuit, as to why

there would be any justification to interpret Nardello differently when assessing RICO rather than the Travel Act. As will be demonstrated herein, the explanation for the difference in the treatment of state predicates in Travel Act cases versus RICO cases evolves from an underlying faulty premise, repeated inexplicably in an entire line of cases, concerning the interpretation and effect of Nardello.

The Second Circuit first construed the statutory language of 18 U.S.C. § 1961(1)(A) in its decision in United States v. Bagaric, 706 F.2d 42, 62-63 (2d Cir. 1983). In Bagaric the Court was faced with a claim that a RICO conviction should be reversed because the trial court had failed to charge the petit jury on the specific elements of the state offenses which were utilized as the various RICO

predicates. Id. at 62. The Bagaric Court, however, rejected that argument and held that the reference to offenses "chargeable under state law" in the RICO statute referred only to generic categories of conduct and did not intend the incorporation by reference of the elements of any state criminal statute in a RICO prosecution. Id.

The reasoning in Bagaric, which has been carried forward in all of the cases which have followed in the Second Circuit,[4] is predicated upon two premises. First, the Court asserted that the legislative history of RICO compelled the conclusion that Congress, in passing § 1961(1)(A), only intended to refer to "generic" categories of criminal conduct. The second premise of Bagaric was the conclusion that this Court's decision in

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[4]See infra note 7.

Nardello did not stand for the proposition that the elements of the underlying state offense had to be proven in a Travel Act prosecution. In fact, the Bagaric Court asserted that Nardello required the conclusion that Section 1961 was intended to refer only to conduct "typical of the serious crime dealt with by the state statute, not that the particular defendant be 'chargeable under state law.'" Bagaric, 706 F.2d at 63 (quoting United States v. Frumento, 563 F.2d 1083, 1087 n.8A [3d Cir. 1977]). It is respectfully asserted that the conclusions reached in Bagaric cannot be supported by either, or both, of the premises upon which the decision is based. Moreover, its "interpretation" of the purported holding of Nardello was inapposite to the prior opinions of the Second Circuit construing Nardello.

The reasons recited by the Second Circuit in Bagaric were quite obviously based upon several prior decisions of other courts.[5] An analysis of stare decisis points ultimately to the decision by the Third Circuit in United States v. Forsythe, 560 F.2d 1127, 1136 (3d Cir. 1977), as being the primogenitor of this line of reasoning. The Second Circuit's holding in Bagaric,[6] and all of its subsequent decisions on this issue[7] have

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[5]See United States v. Salinas, 564 F.2d 688, 690-91 (5th Cir. 1977), cert. denied, 435 U.S. 951 (1978); United States v. Frumento, 563 F.2d 1083, 1087 n.8A (3d Cir. 1977).

[6]Although Bagaric does not cite Forsythe, it does cite Salinas, which relies upon Forsythe. Bagaric, 706 F.2d at 63.

[7]United States v. Coonan, 938 F.2d 1553, 1564 (2d Cir. 1991), cert. denied, 117 L.Ed.2d 628 (1992); United States v. Friedman, 854 F.2d 535, 565-66 (2d Cir. 1988), cert. denied, 490 U.S. 1004 (1989); United States v. Paone, 782 F.2d 386, 393-94 (2d Cir.), cert. denied, 479 U.S. 882

(continued...)

followed lockstep with the opinion of the Third Circuit in Forsythe. In Forsythe the Court held that:

> [t]he legislative history of 18 U.S.C. § 1961(1)(A) specifically states that 'State offenses are

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[7](...continued)
(1986); United States v. Bagaric, 706 F.2d 42, 62-63 (2d Cir.), cert. denied, 464 U.S. 840 (1983). The only additional reason that the Second Circuit has ever offered in support of its generic conduct interpretation, is that to require proof of each element of some specific state offense would create disparity in the application of RICO. As the Court observed in Paone, 782 F.2d at 393, "To adopt appellant's reading of 'chargeable' would result in precisely the same criminal act, proscribed by the laws of two states, being the basis of a RICO violation in one state but not in the other . . . . "

While the Court in Paone was quite right, the disparity is inherent in RICO. Axiomatically, given the nature of the state offenses which qualify as predicates -- and probably the best example is gambling -- there will necessarily be enormous disparity between the states in what gambling conduct each different state finds sufficiently serious to warrant a sentence in excess of one year's imprisonment. Disparity with respect to the application of RICO, when utilizing state predicates, is inevitable.

> included by generic designation.' This statement manifests the legislative intent to incorporate the Supreme Court's holding in United States v. Nardello . . . into the RICO statute. Nardello stands for the proposition that alleging a state violation which falls within the generic category of a predicate offense is adequate to charge a violation of the Travel Act. The test for determining whether the charged acts fit into the generic category of the predicate offense is whether the indictment charges a type of activity generally known or characterized in the proscribed category, namely, any act or threat involving bribery.

Forsythe, 560 F.2d at 1137 (footnotes omitted) (emphasis added). A examination of the reasoning underlying the dual premises underpinning the decision in Forsythe (and adopted almost in haec verba in Bagaric) reveal the reasoning to be fatally flawed.

Forsythe's first premise, that "the legislative history" of RICO compels the conclusion that only generic conduct must

be shown, is unsupportable. The "legislative history" relied upon by the Third Circuit in Forsythe is nothing more than a single snippet that appears in House Report 91-1549.[8] This Report was written as a summary of the various provisions of the newly enacted RICO Act. In passing, the House Report states:

> Section 1961 contains definitions. Subsection (1) defines "racketeering activity" to include murder, kidnapping . . . State offenses are included by generic designation. Federal offenses are included by specific reference.[9]

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[8]Organized Crime Control Act, H.R. No. 91-1549, reprinted in 1970 U.S.C.C.A.N. 4007, 4032.

[9]Id. at 4032 (emphasis added). The sentence in the House Report relied upon by the Forsythe Court is, perforce, nothing more than a convenient way of summarizing the methodology behind the construction of Section 1961(1)(A). Obviously, it was impossible for the Congress to expressly incorporate each specific state criminal statute into RICO. While specific statutory reference to federal offenses could be undertaken with

(continued...)

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[9](...continued)
relative ease, to list every single conceivable state offense would have been unworkable. This does not mean, however, as the Forsythe Court erroneously concludes, that Congress did not intend the words "chargeable under state law" to have anything other than their ordinary usage and meaning.

It is of particular interest to note that in the same House Report -- complimenting this snippet of "legislative history" pointed out in Forsythe -- there is a corresponding statement that can well be said to describe more specifically the Congressional intent with respect the role state offense would play in RICO. At page 4010 the Report explains: "'Racketeering activity' is defined in terms of specific State and Federal criminal statutes. 1970 U.S.C.C.A.N. 4007, 4010 (emphasis added). While these two statements of "legislative history" can be reconciled, they can be reconciled only in one direction. That is to say, if Congress intended the provision "chargeable under state law" to refer to "specific state criminal statutes" then the later statement in the Report that these statutes have been incorporated by making reference to their "generic designation" is not inconsistent. Indeed, how else could they be "designated," other than to set forth each specific state statute. However, the equation will not solve in reverse. If one begins with the premise that it was only "generic categories of activity" which Congress intended to refer to in § 1961(1)(A), then
(continued...)

The Forsythe Court concluded that the presence of this single sentence "manifest[ed] the legislative intent to incorporate the Supreme Court's holding in United States v. Nardello . . . into the RICO statute." Forsythe, 560 F.2d at 1137 (citation omitted). Whether or not that is so is ultimately of little moment. The problem is not whether the legislature had Nardello in mind when the House Report was written, but the fact that Forsythe misconstrued and then misapplied the holding of Nardello.

Nardello does not stand for the proposition, as the Forsythe Court erroneously stated, that the elements of any state predicates relied upon were not incorporated in the Travel Act. What Nardello actually stands for is that the

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[9](...continued)
the prior reference to "specific state criminal statutes" makes no sense.

title of the particular state statute does not control but rather the nature of the conduct forbidden by the applicable state statute. The language of this Court's holding in Nardello which gives rise to this issue of construction was the statement by Chief Justice Warren that:

> [T]he inquiry is not the manner in which the States classify their criminal prohibitions but whether the particular State involved prohibits the extortionate activity charged.

United States v. Nardello, 393 U.S. 286, 295 (1969).

The proper interpretation and effect of this statement in the Nardello decision was explained by District Court Judge Leonard Sand in his treatise on federal jury instructions.[10] Discussing the requirements of proof under the Travel Act

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[10]Modern Federal Jury Instructions, Sand, Siffert, Longhlin and Reiss, Volume 2, pp. 60-29 through 60-33.

in light of the holding of Nardello, Judge Sand explains:

> Nardello does not justify the conclusion, drawn by the non-incorporation circuits, that the state crime is not incorporated as an element of the Travel Act offense. Nardello holds that the label a state puts on an offense is not the dispositive factor in determining whether the offense will support a Travel Act prosecution. What is important is that some state law proscribe the underlying activity listed in section 1952(b). Thus, far from being unimportant, the substance of the state law is central to a Travel Act prosecution premised on a violation of state law. The label used by the state may not matter, but the substance of the statute certainly does.
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> [T]he jury must be instructed on the elements of the state law violation . . . and decide whether the law has been violated. . . . [T]he defendant must be permitted to raise valid substantive defenses to the state violation.[11]

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[11] Id. at 60-30, 60-32-33. Instruction 60-10 of Judge Sand's Model Charge on the (continued...)

Why the panel in Forsythe reached its "non-incorporation" construction of Nardello is all the more inexplicable given the state of the law in the Third Circuit at the time. The interpretation of "Nardello," which had theretofore consistently been applied by the Third Circuit, should have been well-known to the panel in Forsythe. Indeed, in 1970, some seven years before Forsythe was decided, the Third Circuit in United

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[11](...continued)
Travel Act provides: "The defendant has been charged with traveling in interstate commerce (or using an interstate facility) to facilitate [describe the unlawful activity charged in the indictment]. The government must prove to you beyond a reasonable doubt that the activities the defendant intended to facilitate were, in fact, unlawful under [name the state law where the indictment charges were being violated, e.g., Florida's gambling law]. In order to prove this, the government must prove, beyond a reasonable doubt, each of the following elements of the offense of [name applicable state offense, e.g., gambling] under [name of state, e.g., Florida] law: [List elements of state law offense]." Id. at 60-29.

States v. D'Amato, 436 F.2d 52, 54 (3d Cir. 1970), citing Nardello, specifically held that in a federal Travel Act prosecution in which state predicates were utilized, every element of the state offense had to be established and any viable state defenses had to be met. In fact, the issue on appeal in D'Amato was an assertion by the appellant that he was denied "due process of law by depriving him of certain defenses cognizable only in state courts." D'Amato, 436 F.2d at 54. As the Court noted, "If appellant had a defense or an element of a defense which is grounded on Pennsylvania law, he properly could have raised it and have had it considered by the district court even though it required an interpretation of Pennsylvania law." D'Amato, 436 F.2d at 55; accord United States v. Dansker, 537

F.2d 40, 47 (3d Cir. 1976), cert. denied, 429 U.S. 1038 (1977).

Nevertheless, for reasons never explained, the panel in Forsythe, rather than turning to the stare decisis of their own Circuit, turned instead to the decision by the Fifth Circuit in United States v. Revel, 493 F.2d 1, 2-3 (5th Cir. 1974), cert. denied, 421 U.S. 909 (1975). Revel is the Travel Act case from which Forsythe extrapolates its conclusion that the Supreme Court holding in Nardello stands for the proposition that if the acts alleged fall within some "generic category" of conduct, typically punishable under state law, then it is sufficient, notwithstanding that none of the elements of any specific state statute have been proven or even charged.

Of course, the problem with the Third Circuit's reliance on the Fifth Circuit's

decision in Revel was that the Fifth Circuit and the Seven Circuit are the only two who have rejected the incorporation view of the Travel Act.[12]

Why the Third Circuit in Forsythe relied upon the Fifth Circuit's reasoning in Revel rather than its own clearly established precedent will undoubtedly remain unanswered. Nevertheless, it may very well be that it is precisely at this point in the development of the interpretation and construction of the RICO statutory phrase, "chargeable under state law," that the critical flaw in the underpinning of the entire line of reasoning occurred.

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[12]See United States v. Prince, 515 F.2d 564, 566 (5th Cir.), cert. denied, 423 U.S. 1032 (1975); United States v. Conway, 507 F.2d 1047, 1051 (5th Cir. 1975); United States v. Rizzo, 418 F.2d 71, 74 (7th Cir. 1969), cert. denied, 397 U.S. 967 (1970).

A "non-incorporation" view of Nardello is a decidedly minority view. The District of Columbia Circuit recently had the occasion to conduct an overview of the law of the various Circuits concerning this precise issue; to wit, whether Nardello could be read to permit a federal prosecution under the Travel Act -- based on state predicates -- without proof of all elements of the underlying state offense(s). The Court in United States v. Jones, 909 F.2d 533, 536-37 (D.C. Cir. 1990), pointed out that virtually all of the Circuits which have considered the impact of Nardello on "incorporation" vis-a-vis "non-incorporation," have concluded that Nardello cannot be read to permit non-incorporation. As the Jones Court held, "we adopt the position, now held by most of the circuits, that the prosecution must show that the activity was unlawful

under a specific state law."[13] Jones, 909

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[13]The Court in United States v. Jones reviewed the positions of all of the Circuits on this issue: "[w]here the Government would prove a violation of the Travel Act . . . we adopt the position, now held by most of the circuits, that the prosecution must show that the activity was unlawful under a specific state law. See United States v. DeLuna, 763 F.2d 897, 907 (8th Cir.), cert. denied, 474 U.S. 980 (1985); United States v. Bertman, 686 F.2d 772, 774 (9th Cir. 1982); United States v. Goldfarb, 643 F.2d 422, 430 (6th Cir.), cert. denied 454 U.S. 827 (1981); United States v. Dansker, 537 F.2d 40, 47 (3d Cir. 1976), cert. denied, 429 U.S. 1038 (1977); United States v. Brown, 505 F.2d 261, 262 (4th Cir. 1974); United States v. Kahn, 472 F.2d 272, 277 (2d Cir.), cert. denied, 464 U.S. 825 (1973). See also United States v. Arruda, 715 F.2d 671, 681 (1st Cir. 1983); United States v. Walsh, 700 F.2d 846, 854-55 (2d Cir.), cert. denied, 464 U.S. 825 (1983); United States v. Hathaway, 534 F.2d 386, 398 (1st Cir.), cert. denied, 429 U.S. 819 (1976). We believe that this approach is compelled by the plain language of § 1952(b), which defines 'unlawful activity' as any business enterprise involving [inter alia] prostitution offenses in violation of the laws of the State in which they are committed or of the United States."

"This approach is fully consistent with United States v. Nardello, 393 U.S. 2862, 89 S.Ct. 534, 21 L.Ed. 2d 487 (1969)." Jones, 909 F.2d at 536-37 (emphasis added).

F.2d at 537. The Court noted:

> [T]he Fifth Circuit has taken the position that the elements of the state law prohibiting the activity are not incorporated into and made elements of the Travel Act offense . . . [t]aking Nardello to mean that it is sufficient if the acts charged in the indictment fall within the 'generic' meaning of the predicate offense, the [Fifth Circuit] concluded that 'in § 1952 cases state law merely serves a definitional purpose.'
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> We believe that the Fifth Circuit's reading of Nardello confuses the Supreme Court's holding -- that the label under which a listed offense is proscribed in state law is irrelevant -- with the distinct proposition that no violation of any state statute is required in order to make out a violation of the Travel Act. At most, Nardello establishes that, in addition to violating state law, the predicate offenses must fall within the generic meaning of the offenses enumerated in § 1952(b).
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> The Government here 'agrees that state laws are incorporated by

> reference into the federal Travel Act,' noting only 'that the circuits disagree on the question of whether these laws are completely incorporated.'

Id. at 537-38. What is perhaps the most extraordinary revelation which the analysis of this issue has produced is that those Circuits which have expressly held that Nardello is to be read as requiring "incorporation" of the elements of the state offense in Travel Act cases are found to say that Nardello stands for precisely the opposite proposition when dealing with RICO cases. It is, of course, this disparity -- flowing apparently from a blind allegiance to Forsythe and its progeny -- which Petitioner asks this Court to review by granting Certiorari.

The examples of this incongruous application of the holding in Nardello abound. In the Second Circuit, in United

States v. Wai Ho Tsang, 632 F.Supp. 1336, 1338 (S.D.N.Y. 1986), a RICO defendant sought to have the District Court consider whether a particular state defense to his state predicate conduct under RICO was applicable. The Court ruled that the defendant's "motion for dismissal must be denied since it is premised on state law defenses . . . not contemplated by the definition of an act of racketeering in § 1961(1)(A)." Wai Ho Tsang, 632 F.Supp. at 1338.

Nevertheless, in United States v. Kahn, 472 F.2d 272, 277 (2d Cir. 1973), a Travel Act case decided well before United States v. Wai Ho Tsang, the Second Circuit ruled, on the basis of its reading of United States v. Nardello, that not only was the incorporation of all the elements of a state offense required, but, moreover, Nardello required the federal

prosecution to meet any appropriate state defenses to the alleged state statutory violation. As the Court held:

> Just as the initial inquiry in a Travel Act case is whether the underlying activity violates a state law, see United States v. Nardello, 393 U.S. 286, 89 S.Ct. 534, 21 L.Ed.2d 487 (1969), the assertion of a particular state law defense in such a case requires a determination of whether the relevant state recognizes the defense.

Kahn, 472 F.2d at 277. Thus, it is clear that there is an irreconcilable and unjustifiable disparity between the Second Circuit's interpretation of what Nardello stands for when it is considering Travel Act cases compared to when it is considering RICO cases.

Of course, the Second Circuit is not alone in its schizophrenic interpretation of the holding in United States v. Nardello. As previously noted, the Third Circuit which spawned Forsythe is, itself,

explicitly an "incorporation" Circuit.[14] Yet the Third Circuit uniformally misapplies Nardello in the RICO context. A similar disparity in interpretation and application exists in several Circuits.[15]

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[14]As the Court noted in United States v. Dansker, 537 F.2d 40, 47 (3d Cir. 1976), cert. denied, 429 U.S. 1038 (1977); "[a]t the outset we note that the Travel Act incorporates into federal law New Jersey's substantive law of bribery for this particular case, even though it contains a more expansive definition of the crime than that found at common law."

[15]In the Sixth Circuit compare United States v. Goldfarb, 643 F.2d 422, 426 (6th Cir.) ("It is abundantly clear that as a predicate to a Travel Act conviction, absent a distinct violation of the law of the United States, the defendants must have engaged in some form of unlawful activity prohibited by the law of the State of Nevada"), cert. denied, 454 U.S. 827 (1981), with United States v. Licavoli, 725 F.2d 1040, 1047 (6th Cir. 1984), ("[t]he reference to state law in the [RICO] statute is simply to define the wrongful conduct. Reference to state law is necessary only to identify the type of unlawful activity in which the defendant intended to engage.") (quoting United States v. Cevone, 452 F.2d 274, 286 [7th Cir. 1971]).

(continued...)

As discussed in Point II, infra, settled principles of statutory construction mandate that the clear language of a statute must be afforded its ordinary use and meaning.[16] Section 1961

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[15](...continued)
A similar disparity is revealed in the law of the Ninth Circuit. Compare United States v. Bertman, 686 F.2d 772, 774 (9th Cir. 1982) ("[T]he government thus must prove as part of the Travel Act charge that the defendant has or could have violated the underlying state law, and the defendant may assert any relevant substantive state law defense."); accord United States v. Hiatt, 527 F.2d 1048, 1051 (9th Cir. 1975); with United States v. Thomas, 887 F.2d 1341, 1348 (9th Cir. 1989) ("The state law reference in the federal [RICO] statute simply defines wrongful conduct, and is not designed to incorporate state procedural law").

[16]Obviously, Congress intended RICO to incorporate by reference "specific state criminal statutes," not some vague, "generic" conduct. Otherwise, why would Congress utilize the statutory phrase, "chargeable under State law"? Why refer to state law at all if some "generic" or common law or malum prohibitum conduct is all that is required to be proven? Moreover, if such a construction were correct it would create a statutory scheme with inherent uncertainty. Courts and
(continued...)

requires that any state predicate must be "chargeable under state law" to qualify as a "racketeering act" under RICO. The perversion of this clear language, by Forsythe and it progeny, is unjustified upon any legal or factual ground. The premises upon which the interpretation of this section of RICO have been made are demonstrably wrong. This Court should grant the instant Petition for a Writ of Certiorari to correct what is self-evidently a seriously flawed construction of Section 1961 by the various Circuit Courts of Appeals.

Certiorari is also justified in the present case so that this Court may

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[16](...continued)
jurors would be left to determine whether conduct, although not satisfying all of the elements of some specific state statute, may nonetheless serve as a predicate simply because it could be said to be "generically" similar. See infra Point II.

resolve the split in the Circuits concerning the underlying issue of the appropriate interpretation of Nardello as to Travel Act prosecutions. As previously demonstrated, the Fifth and Seventh Circuits do not require the incorporation of the elements of a state offense in Travel Act prosecutions, nor do such Circuits require the prosecutor to meet relevant state defenses to such conduct. Conversely, the District of Columbia, First, Second, Third, Fourth, Sixth, Eighth and Ninth Circuits require incorporation of all of the elements of any state offenses relied upon as well as the requirement that all relevant state defenses be met. Thus, Certiorari in the present case will serve several salutary purposes.

II

IF 18 U.S.C. § 1961(1)(A) DOES NOT REQUIRE THE GOVERNMENT TO PLEAD AND PROVE ALL OF THE ELEMENTS OF STATE OFFENSES RELIED UPON AS RICO PREDICATES -- BUT RATHER REQUIRES ONLY THAT THE CONDUCT ALLEGED "BE TYPICAL OF THE SERIOUS CRIME DEALT WITH BY STATE STATUTES" -- THEN IT IS UNCONSTITUTIONALLY VAGUE. THE VAGUENESS OF THIS SECTION, COUPLED WITH THE DEMONSTRATED VAGUENESS OF THE "PATTERN" REQUIREMENT, RENDERS THE RICO STATUTE, AS A WHOLE, UNCONSTITUTIONALLY VAGUE, BOTH ON ITS FACE AND AS APPLIED

The first prong of the constitutional vagueness challenge raised in this Point deals with the impact that interpretation which has been given to Section 1961 by the lower federal courts has had upon the constitutionality of RICO. As to this prong, Petitioner advances two arguments. First, if the words used by Congress in § 1961(1)(A), that the conduct must be "chargeable under state law," do not carry their ordinary meaning and usage, then the

statute is rendered unconstitutionally vague. Second, if the broad-reaching interpretation which has heretofore been applied to this section by the various Circuit Courts of Appeals is indeed the proper construction of Section 1961, then the statute fails to provide adequate notice and is thereby unconstitutionally vague.

The second prong of Petitioner's constitutional vagueness challenge concerns the RICO element of "pattern." This Court, on several prior occasions, has wrestled with the issue of whether or not the phrase "pattern of racketeering activity," is sufficiently definitive to permit uniform construction and application. To date, this Court has not found the term "pattern" to be unconstitutionally vague. Whether in light of the mounting empirical proof that

this term cannot be uniformally applied the Court can continue its support of the statute is one of the issues presented in this petition.

Finally, the Court is asked to consider the cumulative effect of the difficulties which attend the interpretation and construction of Section 1961(1)(A) in conjunction with the problems which attend application of the term "pattern." It is respectfully asserted that the combined uncertainty generated by these two central provisions of RICO render the statute unconstitutionally vague.

a. The Constitutional Problems Presented By Section 1961(1)(A).

As the decisions of this Court teach us, "[t]he starting point in statutory interpretation is 'the language [of the

statute] itself.'"[17] It is further the teaching of this Court that there is a 'strong presumption' that the plain language of the statute expresses congressional intent [which] is rebutted only in 'rare and exceptional circumstances.'"[18] The "plain language" utilized by Congress in 18 U.S.C. § 1961(1)(A) is that conduct, to qualify as a RICO predicate, must be "chargeable under state law."

Even though there is no legislative history to justify construction of the term "chargeable" to mean anything other than its ordinary meaning, the lower

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[17]Ardestani v. I.N.S., ___ U.S. ___, 112 S.Ct. 515, 519 (1991); (quoting United States v. James, 478 U.S. 597, 604, (1986)); see also Blue Chip Stamps v. Manor Drug Stores, 421 U.S. 723, 756, (1975).

[18]Ardestani, 112 S.Ct. at 520 (quoting Rubin v. United States, 449 U.S. 424, 430 [1981]).

courts have taken unwarranted liberties with this statutory phrase.[19] Indeed, what they have done "is not statutory interpretation; it is statutory construction in the pristine fabricating

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[19]On a separate and perhaps more fundamental level, it seems entirely inconsistent to dissect the sentence found in § 1961(1)(A) by giving half of the sentence its plain meaning and attributing to the other half the erroneous construction established in Forsythe, Bagaric and their progeny. In this regard, it is well settled that the phrase "punishable by imprisonment for more than one year" means exactly what it says. It is equally well settled that in making this determination one must refer exclusively to the state law implicated in the RICO predicate. See, e.g., United States v. Ruggiero, 726 F.2d 913, 920 (2d Cir.), cert. denied, 469 U.S. 831 (1984). Yet, on the other hand, the courts have taken the corresponding portion of this sentence -- "chargeable under state law" -- and without any justification have held, the express language of the statute notwithstanding, that the statute does not require that a "particular defendant be chargeable under the state law." Bagaric, 706 F.2d 42, 63 (1983). State law is said to control half of the sentence (the length of imprisonment) but not the other half ("chargeable"). Axiomatically, such statutory construction is logically inconsistent.

sense."[20] No greater example of the unjustified judicial reconstruction of this phrase can be found than that which appears in United States v. Frumento, 563 F.2d 1083, 1087 n.8A (3d Cir. 1977).

In Frumento, the Court, without reference to any authority, makes the extraordinary pronouncement that:

> Section 1961 requires, in our view, only that the conduct on which the federal charge is based be typical of the serious crime dealt with by the state statute, not that the particular defendant be 'chargeable under state law' at the time of the federal indictment.

Id. at 1087 n.8A (emphasis added). How the Court in Frumento can say that the express language utilized by Congress, "chargeable under state law," does not literally mean what it explicitly says,

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[20]United States v. Davis, 576 F.2d 1065, 1069 (3d Cir.) (Aldisert, J., concurring), cert. denied, 439 U.S. 836 (1978).

without reference to any legislative history, any prior judicial authority or recognized principal of statutory construction, is truly extraordinary. Nevertheless, this language first utilized in Frumento has been carried forward by many Circuit Courts to reach the issue.[21]

In raising a challenge to the constitutionality of a statute which does not impinge directly on constitutionally protected conduct, the standard which must be met is that the statute must be "impermissibly vague in all of its applications." See Hoffman Estates v. Flipside Hoffman Estates, 455 U.S. 489, 495 (1982). Outside the context of the

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[21]See Bagaric, 706 F.2d 42, 63 (2d Cir. 1983); United States v. Salinas, 564 F.2d 688, 692 (5th Cir. 19877); United States v. Licavoli, 725 F.2d 1040, 1047 (6th Cir. 1984); United States v. Garner, 837 F.2d 1404, 1418 (7th Cir. 1987); United States v. Watchmaker, 761 F.2d 1459, 1469 (11th Cir. 1985).

First Amendment, challenges to the constitutional vagueness of a statute therefore present a formidable obstacle. In fact, this Court once described the necessary showing in the following manner:

> If any fool would know that a particular category of conduct would be within the reach of the statute, if there is an unmistakable core that a reasonable person would know is forbidden by the law, the enactment is not unconstitutional on its face and should not be vulnerable to a facial attack.

Kolender v. Lawson, 461 U.S. 352, 370-71 (1983) (White, J., dissenting).

Bearing these heavy burdens in mind, it is respectfully asserted that no "fool would know" that which the federal courts have asserted that the phrase "chargeable under state law" means. For example, it has been held that even though the statute of limitations has run on the state crime which is being utilized as a predicate for

RICO it is nonetheless still somehow "chargeable" under state law.[22] It has been held that a defendant who has been previously acquitted of a state offense is nonetheless still "chargeable under state law."[23] It has even been held that the

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[22]See United States v. Forsythe, 560 F.2d 1127, 1134-35 (3d Cir. 1977); United States v. Davis, 576 F.2d 1065, 1066-67 (3d Cir. 1978).

[23]As the Court noted in United States v. Coonan, 938 F.2d, 1564 (2d Cir. 1991): "Kelly asserts that a crime for which he has already been acquitted in state court is no longer 'chargeable under state law' because further state prosecution would be barred by the double jeopardy clause. . . . We have little difficulty concluding that a state prosecutor's ability to obtain an indictment . . . is wholly irrelevant to whether the underlying conduct satisfies the 'chargeable under state law' definition. Rather section 1961(1)(A) merely describes the type of generic conclusion which will serve as a RICO predicate." Accord United States v. Pungitore, 910 F.2d 1084, 1105 (3d Cir. 1990); United States v. Russotti, 717 F.2d 27, 30-32 (2d Cir.), cert. denied, 465 U.S. 1022 (1983); United States v. Licavoli, 725 F.2d 1040, 1046-47 (6th Cir. 1984); United States v. Malatesta, 583 F.2d 748, 758 (5th Cir. 1978).

failure to establish state statutory requirements which are pre-requisite under state law to charge an individual with a crime does not prevent a defendant from being "chargeable under state law" for purposes of RICO.[24] In fact, it has been held that all that is necessary to meet the requirements of Section 1961 is that the conduct alleged be "typical of the serious crime dealt with by the state statute;" whatever that means.

If one analyzes the constitutionality of Section 1961 by following the precept that, absent some compelling reason to the contrary, the language utilized by the legislature must be afforded its ordinary meaning, then how can it be said that "any

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[24]See United States v. Friedman, 854 F.2d 535, 565-66 (2d Cir. 1988); United States v. Paone, 782 F.2d 386, 393 (2d Cir. 1986); United States v. Brown, 555 F.2d 407, 418 n.2 (5th Cir. 1977), cert. denied, 435 U.S. 404 (1978).

fool" would realize that the applications described above would be permitted? Is it reasonable to assume that an individual who has already been acquitted would realize that he is still nonetheless "chargeable under state law" for RICO purposes? Would "any fool" conclude that even though the state statute of limitations has run with respect to the conduct alleged he is somehow still "chargeable" with that conduct under state law? Would someone of ordinary intelligence presume that even though the RICO statute specifically says that the conduct must be "chargeable under state law," that it doesn't have to be "chargeable" at all but rather it only has to be "typical of the serious crime dealt with" by state statutes?

The interpretation which has been placed upon Section 1961 produces the

following inevitable conclusions. Either the phrase "chargeable under state law" means exactly what it says and the conduct must indeed be "chargeable," or the statute is unconstitutionally vague. Conversely, either the lower courts have unjustifiably judicially reconstructed the language of Section 1961 to produce an absurd result or the uncertainty of the language fails to provide adequate notice.

b. The Constitutionality of Pattern.

The second prong of Petitioner's attack on the constitutionality of RICO concerns this Court's prior efforts to bring harmony to the lower courts interpretation and application of the "pattern" provision of RICO (18 U.S.C. § 1961[5]).

Turning briefly to the pattern issue, in Sedima, S.P.R.L. v. Imrex Co., 473 U.S. 479 (1985) the Court dealt with the

dynamic of "pattern," principally from the perspective of the number of acts or amount of activity which the concept seemed to embrace. From Sedima evolved the now well-settled, but apparently not easily applied maxim that "while two acts are necessary, they may not be sufficient." Id. at 496 n.14.

Following Sedima, the Court in H.J. Inc. v. Northwestern Bell Telephone Co., 492 U.S. 229 (1989), sought to deal with the related question presented by "pattern," of what proof was necessary, regardless of the number of acts established, in terms of the interrelationship and temporal parameters of such activity. From H.J. evolved the principle that for a series of acts to constitute a "pattern" they had to demonstrate "continuity plus relationship." Once again, while

theoretically sound, it was a concept which would prove very difficult to apply.

The concurring opinion by Justice Scalia[25] in H.J. revealed the discontent of at least four members of this Court with RICO. Notwithstanding the admirable attempt by the majority to fashion guide posts for the construction and application of the term "pattern," Justice Scalia suggested in his concurring opinion that it was simply impossible to do. Even the majority found it difficult to conceal its discomfort with the continuing problems that attended the application of the term. The Court remarked that Congress had ignored the Court's clear invitation to provide the legislative augmentation necessary to cure the inherent problems

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[25]With whom the Chief Justice, Justice O'Connor and Justice Kennedy joined.

with the statute. As the majority observed:

> 'But we suggested that RICO's expansive uses appear to be primarily the result of the breadth of the predicate offenses, in particular the inclusion of wire, mail, and securities fraud, and the failure of Congress and the courts to develop a meaningful concept of 'pattern' -- both factors that apply to criminal as well as civil applications of the Act. . . . Congress has done nothing in the interim further to illuminate RICO's key requirement of pattern of racketeering; and as the plethora of different views expressed by the Court of Appeals since Sedima demonstrates . . . developing a meaningful concept of 'pattern' within the existing statutory framework has proved to be no easy task.

H.J., 492 U.S. at 236.

It is respectfully asserted that notwithstanding the efforts by the Court in Sedima and H.J., the uncertainty and confusion which pervades the lower courts efforts to apply "pattern" continues

unchecked. In United States v. Private Sanitation Industry Association, 793 F.Supp. 1114, 1156-60 (E.D.N.Y. 1992), Judge Glasser took the occasion to review the results of H.J. since its pronouncement. As the Court noted:

> If there were any lingering doubt whether the provisions of the RICO pattern element are understandable by persons of ordinary intelligence, one need only review the case law that has followed H.J. Inc. It somewhat understates the matter to observe, as has one court of appeals, that 'a concrete definition for precisely what activities will constitute a 'pattern' for purposes of the RICO statute has eluded the federal courts.'

Private Sanitation, 793 F.Supp. at 1160 (footnote omitted) (quoting U.S. Textiles, Inc. v. Anheuser-Busch Companies, 911 F.2d 1261, 1266 [7th Cir. 1990]). Similarly, as the Seventh Circuit observed in Hartz v. Friedman, 919 F.2d 469, 472 (7th Cir. 1990), "[s]ince the Supreme Court decided

H.J., Inc., the Seventh Circuit has not found patterns to exist in any civil RICO cases which have presented the issue."[26]

Judicial efforts notwithstanding, one is now justified in observing that it has been empirically established in the myriad of decisions that have followed Sedima and H.J., Inc., that the term "pattern" is simply not a term which is sufficiently definite to produce the necessary uniformity of application and interpretation which is required by a criminal statute. This Court has twice warned the Congress of the problems which attend the present language utilized in the RICO statute. It may well be that the Legislature's inaction can be attributed to the fact that the Justice Department is

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[26]See also Firestone v. Galbreath, 747 F.Supp. 1556, 1581 (S.D. Ohio 1990) ("[This] Court finds that the "pattern" requirement is unconstitutionally vague as applied").

rather pleased with the availability of a statute which seems to have such extraordinary reach. Counsel is certainly unaware of any effort by the Executive Branch to use its not insubstantial influence with Congress to cure the dilemma created by the indefiniteness of RICO.

So long as the language of RICO remains unchanged, the once described formidable task of trying to "develop a meaningful concept of 'pattern' within the existing statutory framework," may well be an impossible task. This Court has now twice attempted to fashion a meaning for the term "pattern" and in each instance the results have been discouraging, if not flat out unsuccessful.

If RICO teetered on the brink of unconstitutional vagueness at the time the Court decided H.J., it has surely been

pushed over the edge by the decisions which have followed. When one adds the additional problems which the language of Section 1961 brings to the calculus, the results seems inevitable. It is respectfully asserted that it is time for this Court to announce that which has been conclusively established in decision after decision -- RICO is unconstitutionally vague.

CONCLUSION

For the foregoing reasons it is respectfully asserted that a petition for a writ of certiorari should be granted.

Dated: New York, New York
November 25, 1992

Respectfully submitted,

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APPENDIX

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

Nos. 1311, 1312, 1313, 1315, 1324, 1325, 1327, 1491

August Term 1991

Argued: April 29, 1992 Decided: August 17, 1992

Docket Nos. 91-1549(L), -1551, -1552, -1553, -1554, -1555, -1633, 92-1032

UNITED STATES OF AMERICA,

Appellee,

—v.—

MORRIS J. EISEN, JOSEPH P. NAPOLI, HAROLD M. FISHMAN, DENNIS RELLA, MARTY GABE, GERALDINE G. MORGANTI, and ALAN WEINSTEIN,

Defendants-Appellants,

LEONARD KAGEL,

Defendant.

Before:

MESKILL, *Chief Judge*,
TIMBERS and NEWMAN, *Circuit Judges*.

Appeal from judgments of the United States District Court for the Eastern District of New York (Charles P.

Sifton, Judge), convicting defendants of RICO violations, in violation of 18 U.S.C. § 1962(c), (d) (1988), arising out of a law firm's fraudulent conduct of personal injury cases.

Affirmed.

ALAN M. DERSHOWITZ, New York, N.Y. (Nathan Z. Dershowitz, Dershowitz & Eiger, New York, N.Y.), *for defendant-appellant Eisen.*

JOSEPH P. NAPOLI, *pro se*, New York, N.Y.

STEVEN R. KARTAGENER, New York, N.Y. (Roger L. Stavis, Kartagener & Stavis, New York, N.Y., on the brief), *for defendant-appellant Fishman.*

RICHARD MISCHEL, New York, N.Y., *for defendants-appellants Rella and Morganti.*

MARTIN J. SIEGEL, New York, N.Y., *for defendant-appellant Gabe.*

RONALD E. DEPETRIS, New York, N.Y. (Seth F. Kaufman, Carro, Spanbock, Kaster & Cuiffo, New York, N.Y., on the brief), *for defendant-appellant Weinstein.*

FAITH E. GAY, Asst. U.S. Atty., Brooklyn, N.Y. (Andrew J. Maloney, U.S. Atty., Susan Corkery, David C. James, Peter A. Norling, Asst. U.S. Attys., Brooklyn, N.Y., on the brief), *for appellee.*

JON O. NEWMAN, *Circuit Judge*:

This is an appeal of RICO convictions arising from a law firm's fraudulent conduct of civil litigation as plaintiff's counsel in personal injury cases. The appeal is brought by Morris J. Eisen, Joseph P. Napoli, Harold M. Fishman, Dennis Rella, Marty Gabe, Geraldine G. Morganti, and Alan Weinstein from judgments of the United States District Court for the Eastern District of New York (Charles P. Sifton, Judge), following a four-month jury trial. We affirm.

Background

Morris J. Eisen, P.C. ("the Eisen firm") was a large Manhattan law firm that specialized in bringing personal injury suits on behalf of plaintiffs. The defendants, seven of the Eisen firm's attorneys, investigators, and office personnel, were tried jointly on two counts of conducting and conspiring to conduct the affairs of the Eisen firm through a pattern of racketeering activity, in violation of 18 U.S.C. §§ 1962(c), (d) (1988). The indictment alleged, as the underlying acts of racketeering, that each of the defendants committed, among other crimes, numerous acts of mail fraud, in violation of 18 U.S.C. § 1341, and bribery of witnesses, in violation of New York Penal Law § 215.00 (McKinney 1988).

Eisen was the founder, sole shareholder, and principal attorney of the Eisen firm. Napoli was associated with the Eisen firm in an "of counsel" capacity, and he was the main trial attorney for the firm. Fishman, a trial attorney, was also "of counsel" to the firm. The Eisen firm regularly used investigators to assist attorneys in the trial preparation of personal injury cases, and defendants

Weinstein, Gabe, and Rella were private investigators affiliated with the firm. Morganti was the office administrator of the Eisen firm with responsibility for managing the daily affairs of the firm, including assigning attorneys and investigators to particular cases, monitoring the firm's daily calendar, and managing the financial and personnel operations of the firm.

The evidence at trial established that the defendants conducted the affairs of the Eisen law firm through a pattern of mail fraud and witness bribery by pursuing counterfeit claims and using false witnesses in personal injury trials, and that the Eisen firm earned millions in contingency fees from personal injury suits involving fraud or bribery. The methods by which the frauds were accomplished included pressuring accident witnesses to testify falsely, paying individuals to testify falsely that they had witnessed accidents, paying unfavorable witnesses not to testify, and creating false photographs, documents, and physical evidence of accidents for use before and during trial. The Government's proof included the testimony of numerous Eisen firm attorneys and employees as well as Eisen firm clients, defense attorneys, and witnesses involved in the fraudulent personal injury suits. Transcripts, correspondence, and trial exhibits from the fraudulent personal injury suits were also introduced.

The racketeering acts considered by the jury related to the defendants' conduct with regard to 18 fraudulent personal injury lawsuits in which the plaintiff was represented by the Eisen firm. The defendants were found guilty of racketeering acts involving the following personal injury cases:

Eisen: *Mulnick*, *Schwartz*, *Stanton*;

Napoli: *Ferri*, *Mulnick*, *Robbins*, *Rehberger*;

Fishman: *Aboud*, *Schwartz*, *Tuning*, *Nieves*;

Rella: *Miceli*, *Rehberger*, *Schwartz*;

Gabe: *Robbins*, *Stanton*, *Nieves*;

Morganti: *Miceli*, *Schwartz*, *Stanton*, *Pietrafesa*;

Weinstein: *Aboud*, *Schwartz*, *Tuning*, *Nieves*, *Metrano*.

The jury convicted all seven defendants of RICO substantive and conspiracy offenses after three weeks of deliberations.[1]

Discussion

I. Legal Sufficiency of Charges

A. Mail Fraud

Weinstein argues that a scheme to deprive an adversary of money by means of a civil lawsuit conducted fraudulently does not constitute mail fraud because there is no deprivation of property as defined by the Supreme Court in *McNally v. United States*, 483 U.S. 350 (1987). In that case, the Supreme Court held that the mail fraud statute does not reach schemes to defraud citizens of their right to honest and impartial government but is instead "limited in scope to the protection of property rights." *Id.* at 360. Looking to the legislative history of the statute, which "indicates that its original impetus . . . was to protect the people from schemes to deprive them of their money and property," the Court concluded that

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1 Rella's RICO conviction was vacated because the racketeering acts underlying that conviction were not committed within the limitations period.

> the words "to defraud" commonly refer to "wronging one in his property rights by dishonest methods or schemes," and "usually signify the deprivation of something of value by trick, deceit, chicane or overreaching."

Id. at 356, 358 (footnote and citation omitted). In reversing the convictions of defendants charged with scheming to deprive the state of its right to honest government by having a state agency share proceeds with business entities in which the defendants held interests, the Supreme Court emphasized that there was no allegation that the state or its citizens had been deprived of any money or property. *Id.* at 360-61.

Weinstein contends that the right of the civil defendants and their liability insurers to have a judgment in a civil proceeding obtained free of fraud and perjury is an intangible right not cognizable under the mail fraud statute. The Government responds that the mail fraud predicates at issue here allege a scheme to defraud that comports squarely with the *McNally* definition of mail fraud because the Eisen indictment explicitly alleges a scheme to deprive the victims of money.

Weinstein relies on *United States v. Eckhardt*, 843 F.2d 989 (7th Cir.), *cert. denied*, 488 U.S. 839 (1988). In *Eckhardt*, the defendant had operated a phony tax shelter scheme and had committed perjury and submitted false documents in a civil proceeding brought by his investors against the IRS to challenge disallowance of their deductions. The indictment charged him with a scheme

> To defraud the United States by impeding and impairing, obstructing and defeating the lawful functions of the Internal Revenue Service in the ascertainment, computations, assessment and collection of

> the revenue, to wit, income taxes of taxpayer-investors . . . .

843 F.2d at 996. The Seventh Circuit concluded that this allegation failed to allege mail fraud in light of *McNally*. It found that the indictment charged the defendant with

> interfering with the IRS's proper ascertainment and collection of income taxes. It does not specifically allege that he deprived the government of revenue. . . . [I]t is not sufficient to allege conduct which could have resulted in the government's failure to collect revenue owed to it. . . . The connection between the charged conduct and the loss of revenue here is too tenuous and speculative to constitute an actual deprivation of money or property.

Id. at 996-97.

Weinstein's reliance on *Eckhardt* is unavailing. The *Eisen* indictment contained precisely what was found to be lacking in the *Eckhardt* indictment: the allegation of a scheme to defraud the litigant of money or property. We have upheld charges similar to those made in *Eckhardt* where an indictment has alleged a scheme to defraud the Government of money. *See United States v. Porcelli*, 865 F.2d 1352 (2d Cir.), *cert. denied*, 493 U.S. 810 (1989) (upholding conviction for mail fraud against *McNally* challenge where defendant was charged with defrauding state government of its right to sue for sales tax he failed to collect); *United States v. Rubin*, 844 F.2d 979, 985-86 (2d Cir. 1988) (upholding conviction for mail fraud where defendant defrauded New York State of public revenues).

Weinstein next contends that even if the civil defendants were deprived of property, the only party "deceived" by the alleged fraud were civil juries that

awarded the money judgment. Because the juries were not claimed to have been injured, Weinstein argues that the "convergence theory" of mail fraud, which, he contends, requires that the party defrauded and the party injured be identical, *see United States v. Evans*, 844 F.2d 36, 39 (2d Cir. 1988), is not satisfied. Even if the "convergence theory" is applicable, which we do not decide,[2] its requirements are met here. Weinstein's argument that "the civil defendant is contesting, not relying on, the truth of the allegedly false testimony," Brief for Appellant Weinstein at 36, and is therefore not deceived by a corrupt adversary takes an unrealistically narrow view of the charges in this case and ignores settled authority that perjury and fake evidence defraud the adverse party.

First, a number of the mail fraud predicates in the indictment alleged fraud that was perpetrated directly on the civil defendants and their liability insurers before the lawsuit reached trial. In several cases, misrepresentations in pleadings and pretrial submissions were made in the hope of fraudulently inducing a settlement before trial. And in cases that went to trial, fraudulent representations concerning the claims were directed at the civil defendants and their insurers in an effort to induce settlement before verdict. In fact, several of the lawsuits listed in the indictment were settled. Even in cases decided by a jury, defendants' misconduct was intended to defraud their adversaries. Litigants depend on the integrity of the con-

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2 Some District Courts in this Circuit have concluded that this Court's dicta in *Evans* stands only for the proposition that a civil RICO plaintiff must have been injured to have standing under section 1964. *See, e.g., Shaw v. Rolex Watch U.S.A.*, 726 F. Supp. 969, 972-73 (S.D.N.Y. 1989); *Galerie Furstenberg v. Coffaro*, 697 F. Supp. 1282, 1288 (S.D.N.Y. 1988). Other district courts outside this Circuit have rejected the convergence theory altogether. *See Texas Air Corp. v. Air Line Pilots Ass'n Int.*, No. Civ. 88-0804, 1989 U.S. Dist. LEXIS 11149 (S.D. Fla. July 14, 1989); *Lewis v. Lhu*, 696 F. Supp. 723, 727 (D.D.C. 1988).

duct of participants in civil proceedings though disputing the validity of their opponents' claims to impose or resist civil liability. It is one thing to challenge the perception, memory, or bias of an opponent's witnesses; it is quite another for a party's lawyer and a witness to concoct testimony that they know has been wholly fabricated.

Moreover, Weinstein's claim that perjured testimony suborned by the defendants was directed at the civil juries rather than at the other litigants ignores relevant case law. In *United States v. Rodolitz*, 786 F.2d 77 (2d Cir.), *cert. denied*, 479 U.S. 826 (1986), the defendant had brought a fraudulent civil action against his insurance company and recovered a money judgment from the company at trial. In affirming the defendant's conviction for mail fraud, this Court explicitly recognized that false evidence at a civil trial works a fraud not only on the jury but on the opposing party as well. *Id.* 786 F.2d at 80-81. *See also Averbach v. Rival Manufacturing Co.*, 809 F.2d 1016 (3d Cir.), *cert. denied*, 482 U.S. 915 (1987).

Weinstein also argues that the causation between the fraud and the resulting deprivation of property is too "attenuated." However, the Government need establish only an intent to harm; it is not required to prove that the victim was actually injured as a result of the scheme, *see United States v. Starr*, 816 F.2d 94, 98 (2d Cir. 1987), much less that any injury that did occur resulted solely from the fraud, *see Rodolitz*, *supra*. In *Rodolitz*, we found a sufficient causal link between the defendant's failure to disclose evidence in his trial to recover losses from his insurance company and the resulting judgment against the company, regardless of what the trial jury may actually have relied upon in reaching its verdict.

Finally, Weinstein contends that permitting the mail fraud offenses charged in the *Eisen* indictment to serve as RICO predicate acts conflicts with the deliberate decision made by Congress in omitting perjury as one of the enumerated RICO predicate offenses within the definition of "racketeering activity." *See* 18 U.S.C. § 1961(1). Contrary to the Government's abrupt dismissal of this argument as "baseless," Brief for Appellee at 36, we recognize that there is some tension between the congressional decision to include federal mail fraud as a predicate offense and to exclude perjury, whether in violation of federal or state law. That tension is illustrated by this prosecution in which the fraudulent scheme consists primarily of arranging for state court witnesses to commit perjury.

Though the tension exists, we do not believe it places the indictment in this case beyond the purview of RICO. Congress did not wish to permit instances of federal or state court perjury as such to constitute a pattern of RICO racketeering acts. Apparently, there was an understandable reluctance to use federal criminal law as a back-stop for all state court litigation. Nevertheless, where, as here, a fraudulent scheme falls within the scope of the federal mail fraud statute and the other elements of RICO are established, use of the mail fraud offense as a RICO predicate act cannot be suspended simply because perjury is part of the means for perpetrating the fraud. We do not doubt that where a series of related state court perjuries occurs, it will often be possible to allege and prove both a scheme to defraud within the meaning of the mail fraud statute as well as the elements of a RICO violation. But in such cases, it will not be the fact of the perjuries alone that suffices to bring the matter within the scope of RICO. In any event, we cannot carve out from the coverage of

RICO an exception for mail fraud offenses that involve state court perjuries.

B. State Law Bribery

1. *"Witness" as required by §215.00 of New York Penal Law.* Weinstein, Rella, Morganti, and Fishman all attack various witness bribery racketeering acts by arguing that the individual allegedly bribed was not a "witness or a person about to be called as a witness" within the meaning of Section 215.00 of the New York Penal Law. The statute provides in pertinent part:

> A person is guilty of bribing a witness when he confers, or offers or agrees to confer, any benefit upon a witness or a person about to be called as a witness in any action or proceeding upon an agreement or understanding that (a) the testimony of such witness will thereby be influenced, or (b) such witness will absent himself from, or otherwise avoid or seek to avoid appearing or testifying at, such action or proceeding.

N.Y. Penal Law § 215.00 (McKinney 1988)

The New York Court of Appeals has held that a person's status as a witness under section 215.00 "depends upon the evidence he can supply the court, not the immediacy of the need for the evidence," nor whether a subpoena has been issued in order to secure it. *People v. Bell*, 538 N.Y.S.2d 754, 760, 73 N.Y.2d 153, 164 (1989). The Court stated that if "the evidence is sufficient to support a finding that defendant reasonably should have believed that the person would be a witness and that he intentionally attempted to influence the witness's testimony . . . the crime is complete." *Id.*

Weinstein challenges the witness bribery racketeering act in one of the fraudulent tort cases, *Metrano*, on the ground that there was insufficient evidence that Alberto Troche was a "witness or a person about to be called as a witness" within the meaning of section 215.00. The *Metrano* case arose from injuries sustained by Metrano when he was shot in the leg by a Manhattan parking lot attendant, Alberto Troche, during a row over a parking lot fee. Metrano subsequently retained the Eisen firm, which brought a civil suit against Troche and Troche's employer, Simone Grossman. The action against Grossman was based on allegations that Grossman should have known that Troche was dangerous and carried a gun. The Eisen firm retained Weinstein as the investigator on the case, which settled on the eve of trial for $300,000.

At the *Eisen* trial, Troche testified that Weinstein had come to his home and offered him $5,000 to testify that his employer was aware that he had dangerous propensities and that he carried a gun. Troche had secretly taped this meeting, and the tape was introduced into evidence at the *Eisen* trial.

Troche, having inflicted the injury that formed the basis of the tort action, was clearly someone Weinstein reasonably should have believed would be a witness in the case. On the tape, Weinstein made repeated references to what Troche must do "when he comes to court" or when he "takes the stand," showing that he clearly anticipated that Troche would be a key witness in the case.

In an effort to avoid Troche's obvious status as a witness, Weinstein argues that he did not commit bribery against Troche, but that Troche committed extortion against him. The extortionate conduct, he contends, defeats a section 215.00 violation because it negates the

essential element of *mens rea* in the crime of bribery. Although the tape recording provides some support for Weinstein's contention that Troche might have offered his testimony to the highest bidder, other aspects of the tape recording and Troche's testimony at the *Eisen* trial provide sufficient evidence that Weinstein had the requisite intent to bribe Troche and that Weinstein's conduct fits easily within the proscription of section 215.00. Both the tape recording and the trial testimony reveal that Weinstein initiated the contact with Troche, that Weinstein was the first to broach the subject of money during their taped meeting, and that Weinstein described the testimony he sought to buy from Troche. Clearly a reasonable jury could find that Troche was a "person about to be called as a witness" in the *Metrano* trial and that Weinstein had the requisite intent to bribe Troche.

Rella argues that Eddie Goldstein, who testified in the *Rehberger* case was not a "witness" within the meaning of section 215.00, and Morganti makes the same claim with respect to Arnold Lustig, who testified in the *Schwartz* and *Aboud* cases, because neither Goldstein nor Lustig had observed the accidents about which they testified but were paid to offer completely fraudulent testimony. The claim that Goldstein and Lustig do not meet the statutory definition of "witness" because their testimony was entirely fraudulent and thus they had no "evidence" to supply the court is frivolous. In the dictionary sense, a witness is "one who, being present, personally sees or perceives a thing," or one "whose declaration under oath (or affirmation) is received as evidence for any purpose." *See Black's Law Dictionary* 1438 (5th ed. 1979). Section 215.00 contains no indication that it is limited to this core definition of this term to the exclusion of a more functional definition. The section, which explicitly reaches

attempts to influence the testimony of a "witness" as well as those "about to be called as a witness," applies to benefits conferred in order to induce someone to hold himself out *as* a witness and offer wholly fraudulent testimony to the court. The statute is not limited to payments for testimony that is false only in part. Both Goldstein and Lustig were paid money to give false testimony, both were prepared to testify falsely, and both were called to testify falsely at personal injury trials. It is of no consequence that the "evidence" offered and the status of the men as "witnesses" was entirely an outgrowth of the defendants' criminal designs.

2. *Falsity of influenced testimony*. Section 215.00 provides in pertinent part that a person is guilty of bribing a witness "when he confers or offers or agrees to confer, any benefit upon a witness or a person about to be called as a witness . . . upon an agreement or understanding that (a) the testimony of such witness will thereby be influenced, ..." On its face, the statute requires just two elements of proof: the offer of a benefit to a witness and the agreement or understanding that the witness's testimony will be influenced by such benefit. *See People v. Shaffer*, 130 A.D.2d 431, 432, 515 N.Y.S.2d 470, 471 (1st Dep't 1987) ("All that is required for a bribery to be complete is the offer or agreement to confer a benefit upon the defendant's agreement or understanding that the witness' testimony will thereby be influenced."). "Understanding," as used in the statute, has long been construed as tantamount to the *defendant's* intent, *see People v. Kathan*, 136 A.D. 303, 120 N.Y.S. 1096 (1910), and it is not necessary for conviction that the jury find that the bribe's intended recipient shared that intent. *See People v. Kramer*, 132 Misc. 2d 753, 505 N.Y.S.2d

769 (2d Dep't), *modified on other grounds*, 132 A.D.2d 708, 518 N.Y.S.2d 189 (2d Dep't 1986). The statute contains no requirement that the benefit actually be conferred or that the testimony actually be influenced. *See Shaffer*, 130 A.D.2d at 432, 515 N.Y.S.2d at 471.

Weinstein argued in the District Court that section 215.00 requires two additional elements of proof: (a) that the defendant subjectively believe that testimony, "influenced" as he desires, would be untruthful and (b) that testimony so "influenced" would in fact be untruthful. Although the District Judge originally incorporated both requirements in the proposed charge, he reconsidered his view following the Government's timely objection. Weinstein now complains about the substance and the timing of that ruling.

The charge that Judge Sifton ultimately gave incorporated one of the elements proposed by Weinstein. He instructed the jurors that with respect to the intent element on the charge of witness bribery, they must find that the defendant paid money to a witness in order to get the witness to modify the substance of his testimony in a way that the defendant believed would be false. He did not instruct the jury that it would be a defense to the crime if by sheer happenstance the testimony so influenced turned out to be true.

The essence of bribery is the intent to influence improperly the conduct of another by bestowing a benefit, *see* 39 N.Y. Penal Law § 215.00, at 553 (Practice Commentaries) (McKinney 1988); as there is no requirement that the intended result be accomplished, *see Shaffer*, 130 A.D.2d at 432, 515 N.Y.S.2d at 471, the District Judge properly refused to charge the jury that the fortuity

that the testimony, as "influenced," turned out to be truthful would be a defense to the charge.[3]

Weinstein also complains that the District Court's charge on the elements of bribery violated Rule 30 of the Federal Rules of Criminal Procedure, requiring a trial court to issue rulings on requests to charge prior to summations in order to afford the parties an opportunity to frame their closing remarks in light of the court's subsequent legal instructions. *See United States v. Lyles*, 593 F.2d 182, 186 (2d Cir.), *cert. denicd*, 440 U.S. 972 (1979); *United States v. Tourine*, 428 F.2d 865, 868-69 (2d Cir. 1970), *cert. denied*, 400 U.S. 1020 (1971). If the Rule is violated, reversal is required where the defendant can show that he was "substantially misled in formulating his arguments" or otherwise prejudiced. *United States v. Smith*, 629 F.2d 650, 653 (10th Cir.), *cert. denied*, 449 U.S. 994 (1980). *See Lyles*, 593 F.2d at 186; *United States v. Conlin*, 551 F.2d 534, 539 (2d Cir.), *cert. denied*, 434 U.S. 831 (1977).

Weinstein was not prejudiced by Judge Sifton's decision, made after the charging conference, to revise the proposed charge as to the elements of witness bribery. When the issue was raised in the charging conference, the Government objected to the proposed charge. Following an exchange between the Court and the Government on the question of whether the Government had to prove the actual falsity of the testimony sought by the defendant, Judge Sifton said, "All right. I'll consider that exception."

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3 The Government argues that the bribery statute properly applies whenever money is paid to influence testimony, even if money is paid to secure what the defendant believes is truthful testimony. Because the Judge's charge required the jury to find that the defendant believed that he was seeking to influence testimony in a false direction, we need not decide if section 215.00 extends to payments to influence a witness to testify truthfully.

Weinstein was on notice that his requested charge was the subject of further consideration and could not have been "substantially misled" by the Court in formulating his summation argument, which contended that the Government had to prove the actual falsity of the testimony sought. *Cf. Wright v. United States*, 339 F.2d 578, 579-80 (9th Cir. 1964) (reversal required where court did not respond to defense request for pre-summation rulings on requests to charge, advised counsel to "go ahead and argue the case any way you want to argue it," and in its charge rejected the theory of defense offered in summation). Moreover, following the summation, the Court advised Weinstein's counsel that the charge was not in accord with his argument and offered counsel an opportunity to address the jury again. Having ignored this offer, counsel has no valid claim of prejudice.

II. Sufficiency of Evidence

A. The *Mulnick* Case—Racketeering Act Three

The jury found Eisen guilty of witness bribery and found Eisen and Napoli guilty of mail fraud in connection with the *Mulnick* case. Both Eisen and Napoli contend that the evidence presented at trial was insufficient to prove beyond a reasonable doubt that they committed mail fraud in connection with the *Mulnick* case. Both defendants also contend that invalidation of the *Mulnick* predicate would undermine their RICO substantive and conspiracy convictions. Relying on the standard recently employed by this Court in *United States v. Paccione*, 949 F.2d 1183, 1198 (2d Cir. 1991), *cert. denied*, 112 S. Ct. 3029 (1992), defendants argue that in a RICO case, where one or more predicates is held invalid on appeal, the RICO conviction cannot stand unless the error in sub-

mitting the invalid predicate to the jury is demonstrated to be harmless beyond a reasonable doubt.[4] Upon careful review of the record, we conclude that the defendants' sufficiency arguments are unavailing.

The *Mulnick* case arose out of injuries suffered by Beth Mulnick in 1979 when she was struck by a car as she was crossing a Manhattan street with her friend Patti Kibel. The Eisen firm sued the car's driver on Mulnick's behalf. Napoli was the attorney assigned to the case, which settled for $1 million after the trial testimony of Patti Kibel. At the *Mulnick* trial, Kibel had testified that Mulnick was crossing the street with the light and within the crosswalk, dropped her glove, and returned several paces to retrieve it, and that the car then ran into her while she was in the crosswalk with the light still in her favor.

At the *Eisen* trial, Kibel testified that her testimony at the *Mulnick* trial had been false and that various Eisen firm lawyers, including Eisen and Napoli, caused, or acquiesced in, her false testimony that Mulnick had been crossing with the light. Eisen and Napoli contend that Kibel's testimony at the *Eisen* trial was too equivocal to support a jury finding that Eisen or Napoli either prepared or caused Kibel to testify falsely at the *Mulnick* trial.

With respect to Napoli, Kibel testified at the *Eisen* trial that, prior to her testimony at the *Mulnick* trial, she told the man who "prepared" her that her anticipated testimony about the accident was false. Although Kibel could not recall the identity or appearance of the lawyer who con-

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4 In *Paccione*, the Court found that there was no doubt that the jury would have convicted defendant Paccione of a RICO violation even in the absence of the invalid predicate because eight valid predicates remained and because the pattern of verdicts returned against co-defendants on the RICO count demonstrated that the invalid predicate was not an ingredient in the jury's RICO verdicts.

ducted this trial, it was established through the testimony of other witnesses and documentary evidence that Napoli was the Eisen firm trial attorney who questioned witnesses at the *Mulnick* trial. Contrary to Napoli's suggestion, the Government was not required to prove that he specifically formulated the lie to which Kibel was to testify. Instead, as the indictment charged, the Government needed to establish that Napoli had either prepared or caused Kibel to testify falsely. To prove this, it was plainly sufficient to establish that Kibel told Napoli the truth about the Mulnick accident but that Napoli did nothing to dissuade her from testifying to the false version conjured by the Eisen firm and that he caused her to testify falsely by putting her on the stand and eliciting the perjurious testimony from her.

With respect to Eisen, Kibel's testimony is even more indefinite. Eisen claims that Kibel's wavering testimony at the *Eisen* trial is insufficient proof that he was the person who instructed Kibel to provide false testimony in connection with the *Mulnick* case. Kibel's recollection was vague as to the details of her conversations with Eisen, but on direct examination she stated that she told Eisen the truth about Beth Mulnick's accident and that he instructed her to give a false account of how the accident occurred. However, when questioned on cross-examination as to any particular element of the fabricated story offered by her at the *Mulnick* trial, Kibel could not recall whether Eisen or someone else in the Eisen firm had suggested the alteration. The Government argues that Kibel's assertion on direct that Eisen instructed her how to testify is not invalidated by her inability to remember on cross-examination what Eisen had said to her on specific topics and who precisely had caused her to testify as she did to particular aspects of her testimony. The Government

argues that the weakness of Kibel's testimony was a matter for cross-examination, and that any apparent tension in her testimony was a matter of credibility to be resolved by the jury.

We need not decide whether Kibel's equivocal testimony constituted sufficient evidence to support the jury's finding with respect to the mail fraud allegation against Eisen specified in the *Mulnick* predicate act, racketeering act 3. That act (one of three charged against Eisen) alleged that Eisen engaged in criminal activity in connection with the *Mulnick* case in two distinct ways: (1) that he committed mail fraud for the purpose of executing a scheme to prepare and cause Patti Kibel to testify falsely at trial, and (2) that he caused another person to bribe a New York City Police Officer who was about to be called as a witness in connection with the case. The jury indicated on the verdict form that it found Eisen had committed racketeering act 3 both by committing witness bribery and mail fraud. Eisen does not allege any infirmity with the jury's finding on the witness bribery aspect of the *Mulnick* predicate.[5]

A finding either of mail fraud or of witness bribery would have been sufficient to support the *Mulnick* racketeering act. Thus the invalidation of one of two sufficient bases *specifically* found by the jury to support this predicate would not undermine the jury's finding that Eisen committed a racketeering act with respect to the *Mulnick*

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5 Officer William Mulligan testified at the *Eisen* trial that he wrote the original police report of the Mulnick accident, which indicated that Kibel had stated at the time of the accident that Mulnick was crossing the street against the light. He further testified that he had been offered a bribe several days before the *Mulnick* trial by Eisen firm investigator Frank Laine to testify that he could not recall Kibel's statement. Laine, who testified under a grant of immunity at the *Eisen* trial, admitted that he had indeed attempted to bribe the officer and had done so at Eisen's request.

case. *Cf. Griffin v. United States*, 112 S. Ct. 466, 469-74 (1991) (even a *general* verdict in a criminal case is to be upheld on appeal against a claim of insufficient evidence to support one of alternative bases for conviction whenever the evidence suffices for at least one basis). In light of the fact that Eisen's challenge does not compromise the validity of the *Mulnick* predicate, and the ample evidence that the *Mulnick* case was fraudulent and that Eisen participated in the fraud, we have no doubt that the jury would have convicted Eisen on the RICO substantive and conspiracy charges even if it had found that the *Mulnick* racketeering act rested only on bribery. *Cf. Paccione*, 949 F.2d at 1198 (jury would have convicted defendant of a RICO violation even in the absence of an *invalid* predicate).

B. The *Pietrafesa* Case—Racketeering Act Twenty-Six

Morganti claims that there was insufficient evidence that she committed mail fraud in connection with the *Pietrafesa* case. That case arose from injuries sustained by Carmella Pietrafesa when she slipped on a sidewalk outside a supermarket in Greenwich Village. The Eisen firm sued the supermarket on behalf of Pietrafesa. The Eisen firm relied on the testimony of Morganti's 70-year-old mother, Helen Gaimari, who lived four blocks from the supermarket, to establish that the supermarket had prior notice of the sidewalk defect. At trial, Gaimari testified that she gave Pietrafesa her name at the time of the accident, had fallen because of the same defect months before, and had previously complained to the supermarket about the defect. It was not disclosed to defense counsel in the *Pietrafesa* case that Gaimari was the mother of Morganti, the Eisen firm's office manager. The jury

returned a verdict for Pietrafesa of approximately $35,000.

Morganti argues that the Government adduced no affirmative evidence that Morganti caused her mother to testify, or that her mother, Helen Gaimari, testified falsely. In evaluating this claim we must credit every inference that can be drawn in the Government's favor, whether from direct or circumstantial evidence. *See, e.g., United States v. Parker*, 903 F.2d 91, 96-97 (2d Cir.), *cert. denied*, 111 S. Ct. 196 (1990). Moreover, the jury is free to draw negative inferences from an untruthful witness's testimony as long as there is affirmative testimony to supplement or corroborate those negative inferences. *See United States v. Marchand*, 564 F.2d 983, 985-86, 1000-01 (2d Cir. 1977), *cert. denied*, 434 U.S. 1015 (1978).

The Government points to the testimony of five witnesses to support the inference that Morganti caused her mother to testify and that the testimony was false. The plaintiff, Carmella Pietrafesa, testified in a deposition preceding her personal injury trial that she had not gotten the names of the people who helped her up at the time of her accident. In contrast, she testified at her own trial and at the *Eisen* trial that an elderly woman who turned out to be Gaimari picked her up and gave her a piece of paper containing Gaimari's name and number. Pietrafesa also testified at the *Eisen* trial that during the course of trial preparation she had had a few discussions with Morganti concerning her case.

Frank DeSalvo, an Eisen firm attorney, testified about his handling of the *Pietrafesa* case. He stated that he sent out a letter to defense counsel on November 11, 1982, stating that there were no witnesses to Pietrafesa's accident. DeSalvo testified that he represented Pietrafesa at

the December 20, 1982, deposition in which she stated that she did not get the name of the person who helped her up. He further testified that he sent a second letter to defense counsel in the *Pietrafesa* case three days after the deposition that listed Helen Gaimari, Morganti's mother, as a notice witness to Pietrafesa's accident. However, even though DeSalvo had dated Morganti's daughter and had met Gaimari, he claimed to know the older woman only as "Grandma Helen."

Evan Torgan, another attorney formerly associated with the Eisen firm, testified that Morganti and Eisen assigned him the cases that he tried at the Eisen office, that he had tried the *Pietrafesa* case in November 1984, and that it was his practice to report trial verdicts to Morganti. He further testified that he was dating Morganti's daughter around the end of 1984 or the beginning of 1985 but also claimed that he did not learn that Gaimari was Morganti's mother until after the *Pietrafesa* trial ended.

Gaimari testified at the *Eisen* trial that sometime after the accident, she was called by a lawyer who asked her to testify at the *Pietrafesa* trial; the lawyer indicated that he knew Gaimari was Morganti's mother.

Robert Steindorf, a defense attorney at the *Pietrafesa* trial, testified that Gaimari was a crucial witness against his client because she was the only notice witness at that trial who was not related to Pietrafesa.

Giving credence to every inference that could be drawn in the Government's favor from the direct and circumstantial evidence elicited from these witness, we find that a reasonable juror could find that Gaimari gave false testimony concerning her presence at the Pietrafesa accident. We are, however, unable to conclude that a reasonable juror could find, beyond a reasonable doubt, that Mor-

ganti caused Gaimari to give false testimony in the *Pietrafesa* case. The Government invites us to rely on Morganti's familial relation to Gaimari as well as Morganti's role in the Eisen firm. While these factors may indicate that Morganti had abundant opportunity to cause Gaimari to give false testimony, they provide an insufficient basis for a reasonable juror to conclude beyond a reasonable doubt that Morganti played a role in having her mother testify falsely at the *Pietrafesa* trial. Although, having persuaded the jury that Gaimari was untruthful, the prosecutor might have invited the jury to disbelieve Gaimari's denials of her daughter's involvement, without affirmative evidence in corroboration, such a negative inference is, by itself, insufficient to support the conviction. *Marchand*, 564 F.2d at 986. "A jury's verdict will be sustained if there is *substantial evidence*, taking the view most favorable to the government, to support it." *United States v. Mulheren*, 938 F.2d 364, 368 (2d Cir. 1991) (citations omitted) (emphasis in original). In this case Morganti has met the very heavy burden of demonstrating that the evidence at trial was insufficient to prove her guilt beyond a reasonable doubt.

We must now determine whether the invalidation of this racketeering act undermines Morganti's substantive and conspiracy RICO convictions. We conclude that the error in submitting the invalid predicate to the jury was harmless beyond a reasonable doubt. *See Paccione*, 949 F.2d at 1198. Three valid racketeering acts remain, those relating to the *Miceli*, *Schwartz*, and *Stanton* cases. In each of these cases there was direct and unequivocal testimony that Morganti was an active participant in the cabal to falsify testimony. Furthermore, the pattern of verdicts returned against co-defendants confirms our conclusion that the jury would have returned the RICO convictions in

the absence of the invalid predicate. Eisen, Gabe, and Rella were convicted of the RICO counts on the basis of a jury finding that they had each committed three racketeering acts. Morganti shares a pair of valid predicates in common with those of Eisen and Rella: Morganti and Eisen were both found guilty of the *Schwartz* and *Stanton* predicates; Morganti and Rella were both found guilty of the *Miceli* and *Schwartz* predicates. The acts alleged against Morganti in the *Miceli*, *Schwartz*, and *Stanton* predicates occurred, respectively, in 1983, in 1984, and between 1984 and 1988, and thus the substantive RICO conviction remains timely. The jury has already found that these predicates relate to each other as well as to the enterprise, and because we have no hesitancy in finding that, even without the *Pietrafesa* predicate, these three racketeering predicates posed a threat of continuity, we affirm Morganti's substantive and conspiracy RICO convictions. *See United States v. Minicone*, 960 F.2d 1099, 1106 (2d Cir.) (to establish pattern of racketeering, prosecution must show racketeering predicates are horizontally and vertically related, and that they amount to or pose threat of continued criminal activity), *cert. denied*, 112 S. Ct. 1511 (1992).

III. Leak of Grand Jury Testimony

Eisen argues, on behalf of all defendants, that he is entitled to a hearing on his claim that he was prejudiced by a leak of grand jury testimony. Shortly before the trial began, *The Village Voice* published an article about the case. The author of the article purported to summarize the contents of the testimony of four grand jury witnesses and indicated that the source of the information was not the witnesses themselves. In fact, the story indicated that one of the witnesses whose testimony was outlined had

refused to speak to the *Voice* about his grand jury appearance. After the publication of the article, Eisen moved for a hearing to determine whether grand jury secrecy had been violated. Eisen claimed that a leak could prejudice his trial because trial witnesses exposed to the article could tailor their testimony to dovetail with the sworn testimony of others. The District Court denied the request for a hearing but referred the case to the Department of Justice ("DOJ"), requesting an expedited investigation.

After trial, almost seven months since the matter was referred to DOJ and in spite of some prodding by Judge Sifton, little if any progress had been made on the investigation, and Eisen renewed his request for a court hearing. The Government was quick to ascertain the status of the DOJ investigation and informed the Court that DOJ investigators had formed a preliminary plan for investigation and would soon begin to conduct interviews concerning the matter. The District Court again rejected Eisen's request, stating that it had no obligation to supervise or instigate an investigation in the absence of a *prima facie* showing of prejudice to the defendant as a consequence of the alleged leak. The Judge noted that Eisen had had opportunity and incentive to develop evidence of "cross-pollination" among witnesses due to the alleged leak but had failed to do so. The Court also noted its reluctance to hold a hearing while there was an ongoing federal investigation.

At oral argument of this appeal, the Government maintained that the DOJ investigation had concluded, that the investigation had shed no light on whether or how the integrity and secrecy of the grand jury proceeding had been compromised, and that the results of the investigation had been forwarded to Eisen's counsel. The Gov-

ernment also represented to this Court that the results would be forwarded to the District Court.

A breach of grand jury secrecy can jeopardize the defendant's right to a fair trial before a petit jury. *See United States v. Friedman*, 854 F.2d 535, 583 (2d Cir. 1988), *cert. denied*, 490 U.S. 1004 (1989). However, a defendant seeking reversal or a hearing regarding alleged grand jury abuse must show prejudice or bias. *See id.* at 583-84 (in the absence of showing of prejudice, district court's refusal, without holding a hearing, to grant post-trial relief for alleged grand jury leaks not error); *see also United States v. Helmsley*, 866 F.2d 19, 22 (2d Cir. 1988) (noting approval of district court procedure of referring to Department of Justice charges of prosecutorial misconduct in leak of grand jury testimony), *cert. denied*, 490 U.S. 1004 (1989).

Eisen contends that he has made a *prima facie* showing of prejudice. He asserts that the trial record indicated that cross-pollination as a result of the grand jury leaks seemingly had occurred in at least one instance: one witness's testimony in the grand jury about backdating a report, disclosed in the *Voice* article, was echoed in another witness's trial testimony about the report, although that witness had never mentioned any backdating at his grand jury appearances. While this confluence of testimony may be suspect, we agree with the District Court that the defendants had the opportunity and incentive to develop such possibilities of prejudice into evidence of prejudice during the cross-examination of witnesses.

Eisen argues that it would have been "foolhardy" to seek to establish evidence of cross-pollination during cross-examination, that a defendant should not be required to pursue an agenda distinct from his trial

agenda, and that he should not be faulted for forgoing the opportunity where he was led to believe that the DOJ was making prompt inquiries. We disagree. If, on cross-examination a defendant had been able to expose that prosecution witnesses had changed their testimony in response to the testimony of other witnesses, that fact would have been devastating to the Government and entirely consistent with the defendant's "trial agenda." Moreover, a defendant's interest in showing that the Government's case has profited from a breach of grand jury secrecy, is distinct from the DOJ's inquiry into whether a leak has occurred and who was responsible. Referring the matter to the DOJ did not absolve Eisen of the obligation to discover and come forward with some evidence of prejudice, if any existed, in order to obtain a hearing or further relief on the ground that grand jury secrecy had been violated. The District Court did not err in denying a hearing.

IV. Testimony from Hostile Government Witnesses

Eisen argues that he was deprived of a fair trial because the Government was permitted to call numerous witnesses associated with the defendants and to elicit from them trial testimony that the Government anticipated would be, and argued to the jury that it was, perjurious. In its opening, the prosecution told the jury that it would call some witnesses "who have refused to give up the lie or the fraud of the particular case that they were involved in." The Government made this argument with regard to a portion of the testimony of 11 of its 75 witnesses. The District Judge allowed the practice, reasoning that it was not unduly prejudicial because the witnesses' testimony, in fact, tended to exculpate the defendants, and because the prosecutor confined himself to arguing that each witness persisted in his lie from personal motives rather than at

the behest of the defendants. Eisen argues that this evidence should have been excluded because it was irrelevant, and even if it was relevant, Eisen argues, it should have been excluded because the danger of unfair prejudice substantially outweighed its probative value.

Eisen contends that the testimony from these witnesses exculpating the defendants was not probative of the Government's theory of the case and therefore should not have been presented to the jury. The Government notes, however, that impeachment of hostile government witnesses is admissible as negative inference evidence, *see Marchand*, 564 F.2d at 985-86, and that the testimony of these hostile witnesses provided other affirmative proof that was important to the Government's case.

In arguing that this practice should not have been permitted, Eisen relies on two sets of cases that are clearly distinguishable. First, Eisen points to a series of cases that hold that while a jury may be permitted to draw negative inferences from disbelieved testimony, a case cannot go to a jury solely on that basis.[6] Second, Eisen relies on a series of cases that hold that a party may not call a witness whose testimony it knows to be adverse for the sole

6 *See Martin v. Citibank, N.A.*, 762 F.2d 212, 217-18 (2d Cir. 1985); *United States v. Jenkins*, 510 F.2d 495, 499 (2d Cir. 1975); *Davis v. National Mortgage Corp.*, 349 F.2d 175, 178 (2d Cir. 1965); *Dyer v. MacDougall*, 201 F.2d 265, 269 (2d Cir. 1952); *Pariso v. Towse*, 45 F.2d 962, 964 (2d Cir. 1930).

In *Dyer v. MacDougall*, Judge Learned Hand observed that "the denial of one, who has a motive to deny, may be uttered with such hesitation, discomfort, arrogance or defiance, as to give assurance that he is fabricating, and that, if he is, there is no alternative but to assume the truth of what he denies." 201 F.2d at 269. However, the Court went on to hold that "although it is therefore true that in strict theory a party having the affirmative might succeed in convincing a jury of the truth of his allegations in spite of the fact that all the witnesses denied them, we think it plain that a verdict would nevertheless have to be directed against him." *Id.*

purpose of impeaching him and thereby presenting evidence to the jury that would not otherwise be admissible.[7] The first line of cases is inapposite because in this case there was independent evidence to support the Government's case. The second line of cases is inapplicable because the Government did not call these witnesses as a mere subterfuge to get before the jury evidence not otherwise admissible.

Federal Rule of Evidence 607 provides: "The credibility of a witness may be attacked by any party, including the party calling the witness." Rule 607, having no special restrictions, allows the Government to impeach its own witnesses. *United States v. DeLillo*, 620 F.2d 939, 946-47 (2d Cir.), *cert. denied*, 449 U.S. 835 (1980). Where the Government has called a witness whose corroborating testimony is instrumental to constructing the Government's case, the Government has the right to question the witness, and to attempt to impeach him, about those aspects of his testimony that conflict with the Government's account of the same events. *Id.* Here, the testimony of the hostile witnesses provided affirmative proof that was necessary to construct the Government's case, and thus the Government was entitled to question these witnesses and to invite the jury to disbelieve that portion of their accounts that contradicted the prosecution's theory of the case.

Eisen claims that, if the Government is allowed to proceed in this fashion, it could "routinely pre-empt the defendant, offer his 'defense,' and effectively preclude him from presenting his case as he and his lawyers determined to be in his best interests." Brief for Appellant Eisen at 31 n.34. Eisen complains that in eliciting testi-

7 *See United States v. Morlang*, 531 F.2d 183, 189-90 (4th Cir. 1975); *United States v. Johnson*, 802 F.2d 1459, 1466 (D.C. Cir. 1986).

mony exculpatory of the defendants, the Government, in essence, foisted witnesses and testimony onto the defendants' case thereby curtailing their ability to shape their own defense. Certainly, a defendant should be allowed to present his best defense consistent with the bounds of the law and the limits of the practicable. But the defendants cannot blame the Government's actions in this case for frustrating their ability to put on such a defense. The Government called as witnesses those who had participated in various ways in the personal injury suits underlying the allegations in the indictment and who clearly had relevant evidence to offer the Court. The Government need not confine itself to fragments of their testimony just because the witnesses persist in repeating untruthful portions.

A finding that the evidence was relevant and that the practice at issue is not proscribed does not, however, end the inquiry. Under Federal Rule of Evidence 403, the trial judge must determine if relevant evidence should be excluded because its "probative value is substantially outweighed by the danger of unfair prejudice." *United States v. Robinson*, 560 F.2d 507, 513-14 (2d Cir. 1977) (in banc), *cert. denied*, 435 U.S. 905 (1978). We give the trial judge wide discretion in assessing the balance, and his ruling will not be overturned unless he acted "arbitrarily or irrationally." *Id.* at 515. Eisen does not argue that the Government introduced highly prejudicial or inflammatory evidence in order to impeach these witnesses; instead he argues that, in the context of a case revolving around the subornation of perjury, the very argument that the witnesses were lying was highly prejudicial. Eisen contends that because the defendants are accused of suborning these witnesses' perjury (or conspiring with them to suborn perjurious testimony) in the underlying personal injury trials, the jury will naturally assume that the Gov-

ernment accuses the defendants of complicity in these criminal trial lies as well. The Court, however, had foreclosed this line of argument and the prosecutor was careful to attribute the alleged lies to the personal motivations of these witnesses. The District Court acted reasonably in concluding that the negative inference evidence need not be excluded as unfairly prejudicial simply because of the risk that the jury might, nonetheless, embrace a theory of causation eschewed by the prosecution.

V. Statute of Limitations

Gabe and Rella both contend that their convictions are barred by the five-year statute of limitations period of 18 U.S.C. § 3282 (1988). Gabe argues that all of the racketeering acts with which he is charged fall outside the five-year limitations period. In making this argument, Gabe incorrectly assumes that the mail fraud claims date from the time the fraud was conceived or from the time of the underlying civil trial. However, the statute of limitations in a mail fraud case runs from the date of the charged mailing, notwithstanding that the defendant's actions concerning the scheme to defraud occurred before the statutory period. *See United States v. Read*, 658 F.2d 1225, 1240 (7th Cir. 1981); *United States v. Ashdown*, 509 F.2d 793, 797-98 (5th Cir.), *cert. denied*, 423 U.S. 829 (1975). *See also United States v. Weinberg*, 656 F. Supp. 1020, 1026 (E.D.N.Y. 1987). Because at least one of the proven mailings in the racketeering acts of which Gabe was found guilty occurred within five years of the filing of the original indictment, Gabe's timeliness claim fails.

Rella argues that because the substantive RICO count against him was dismissed as untimely, the RICO conspiracy count must fail as well. All three of the racketeering acts that the jury found Rella to have committed

fall outside of the five-year limitations period, and thus the substantive RICO count was properly dismissed. However, the statute of limitations for a RICO conspiracy does not begin to run until the objectives of the conspiracy have been either achieved or abandoned. *United States v. Persico*, 832 F.2d 705, 713 (2d Cir. 1987), *cert. denied*, 486 U.S. 1022 (1988). The jury found that the RICO conspiracy comprehended conduct that occurred as late as 1988, and because there was no evidence that the criminal objectives of the conspiracy were abandoned, this count against Rella was not time-barred.

VI. Ineffective Representation

Napoli appeals from Judge Sifton's denial of his section 2255 petition for a new trial. In that petition, Napoli claimed that his Sixth Amendment rights to effective assistance of counsel had been violated as a result of an alleged conflict of interest of his trial counsel, Gerald L. Shargel. The alleged conflict of interest was said to arise from Shargel's disqualification in an unrelated case, *see United States v. Gotti*, 771 F. Supp. 552 (E.D.N.Y. 1991), which occurred during the trial of this case. We affirm the District Court's denial of the petition.

Napoli argues that Shargel's disqualification in the *Gotti* case resulted in both a *per se* and an actual deprivation of Napoli's Sixth Amendment right to effective assistance of counsel in this case. In order to sustain a claim that a *per se* violation occurred, a defendant must establish that his lawyer suffered from an actual conflict of interest with regard to presenting a vigorous defense of the defendant. *See United States v. Aiello*, 900 F.2d 528, 530-31 (2d Cir. 1990). Upon a showing of such a conflict, a defendant need not demonstrate prejudice because a conflict inhibiting a lawyer's performance is such an

affront to the right to effective assistance of counsel that we have found that such a circumstance demonstrates a denial of that right. *Id.* We have found a *per se* Sixth Amendment violation where trial counsel was implicated in the very crime for which his client was on trial. *See United States v. Cancilla*, 725 F.2d 867 (2d Cir. 1984). We also applied a *per se* rule where a defendant was represented by a person not authorized to practice law. *See Solina v. United States*, 709 F.2d 160 (2d Cir. 1983). In both cases, we found that counsel had reason to fear that vigorous advocacy on behalf of his client might provoke inquiries on the part of the court or prosecutor that might expose the lawyer to criminal liability or other sanction. *See Cancilla*, 725 F.2d at 870; *Solina*, 709 F.2d at 164. However, this Court's decision in *Aiello*, makes clear that Napoli's allegations fail to support a *per se* claim. In *Aiello*, we rejected the argument that an attorney under investigation for obstruction of justice and tax evasion at the time of the defendant's trial on narcotics charges had suffered from an actual conflict of interest constituting a *per se* violation of the defendant's Sixth Amendment right. The four factors on which this Court relied in rejecting Aiello's conflict of interest claim are also present here. First, unlike the facts in *Cancilla*, the attorney's purported activity (*i.e.*, his alleged involvement with the Gotti organization) was totally unrelated to the mail fraud and witness bribery crimes for which Napoli was being tried. *See Aiello*, 900 F.2d at 531. Second, there is no allegation that Shargel's representation of Napoli in the *Eisen* case was the "impetus" for the investigation into Shargel's involvement with the *Gotti* defendants. *See Aiello*, 900 F.2d at 531-32. Third, Napoli has offered no basis upon which to believe that Shargel's defense of Napoli was intended to please or impress the *Gotti* prosecutors, who

did not participate in the *Eisen* case. *See Aiello*, 900 F.2d at 532. Finally, unlike the attorney in *Solina*, there is no question that Shargel was authorized to practice law at all times during this case. *See Aiello*, 900 F.2d at 532.

There is no suggestion that Shargel's vigorous representation of Napoli would have subjected him to sanction or risked exposure of any wrongdoing on his part. And any claim that Shargel's attention may have been "diverted" by the disqualification proceeding in the *Gotti* case is insufficient to establish an actual conflict of interest. A theoretical or merely speculative conflict of interest will not invoke the *per se* rule. *See Aiello*, 900 F.2d at 532.

Because Napoli has failed to show an actual conflict of interest, he must overcome the presumption that his counsel's conduct was reasonable by satisfying the two-pronged standard of *Strickland v. Washington*, 466 U.S. 668 (1984). *See United States v. Cruz*, 785 F.2d 399, 405 (2d Cir. 1986). Napoli must show that (1) "counsel's representation fell below an objective standard of reasonableness" under "prevailing professional norms" and (2) "a reasonable probability that, but for counsel's unprofessional errors, the result of the proceeding would have been different." *Strickland*, 466 U.S. at 688, 694.

Out of a trial record of almost 10,000 pages, Napoli culls five instances of alleged deficiencies in Shargel's performance. On review of the record, we are convinced that Shargel's overall performance was vigorous, sustained, and effective. Furthermore, we find that none of the five instances complained of falls "outside the wide range of professionally competent assistance." *Id.* at 690.

Napoli first points to Shargel's stipulation that a disputed mailing in the *Robbins* case had been mailed.

Shargel decided to stipulate to the fact of mailing once informed that James LaRossa, co-defendant Eisen's attorney, had entered into a stipulation with the Government to that effect. Napoli now claims that the author of the letter would have testified that the letter had been hand-delivered and that it was incompetent for Shargel to stipulate to the contrary. Napoli ignores evidence that the relevant document had in fact been mailed—a subsequent letter written by its author so stating. Moreover, even if Shargel did not personally verify this fact, it was reasonable for him to rely on the representation of co-defendant's counsel that the author admitted the mailing. Furthermore, had the author been called to take the stand to testify to hand delivery, his testimony would have been impeached by his previous letter maintaining that it had been mailed. *See Aiello*, 900 F.2d at 532-33 (failure to call exculpatory witness not ineffective representation because testimony could have been impeached).

The next four instances of claimed ineffective assistance relate to decisions that "fall squarely within the ambit of trial strategy, and, if reasonably made," cannot support an ineffective assistance claim. *See United States v. Nersesian*, 824 F.2d 1294, 1321 (2d Cir.), *cert. denied*, 484 U.S. 957 (1987). As his second example, Napoli claims that Shargel should have advised him to testify on his own behalf, and that Shargel should have done a more thorough job of impeaching two prosecution witnesses. "The decision whether to call any witnesses on behalf of the defendant, and if so which witnesses to call, is a tactical decision of the sort engaged in by defense attorneys in almost every trial." *Id.* It was a reasonable tactical decision to rely exclusively on attacking the Government's witnesses and presenting independent testimony rather than to subject Napoli to all of the risk attendant on

cross-examination. "Decisions whether to engage in cross-examination, and if so to what extent and in what manner, are similarly strategic in nature." *Id.* Shargel had subjected both of these witnesses to vigorous cross-examination. As Judge Sifton found, Shargel could have reasonably concluded that further cross-examination on relatively unimportant matters would have confused or fatigued the jury.

As the third instance, Napoli points to Shargel's decision not to lay blame for the charged crimes on the other defendants. Clearly this was a reasonable strategic decision. An effort to blame the other defendants might have provoked retaliation in the same vein, and the Government would have been the sole beneficiary of such a development.

Fourth, Napoli claims that, in support of Napoli's motion for sequestration of the jury, Shargel should have introduced newspaper clippings referring to the Government's accusations against Shargel in the *Gotti* case. While this might have been the preferable course, we cannot say that Shargel's omission was below an objective level of competence since none of the other defense attorneys included such clippings in their similar motions but instead relied on paraphrasing. Furthermore, Shargel did submit a number of the press accounts in support of Napoli's claim of error in failure to sequester made in his motion for a new trial. The issue, including the nature and content of the articles, was thus properly preserved for appeal, and no prejudice occurred from the initial failure to include the materials.

Finally, Napoli claims that Shargel's failure to attack the Government in his summation is evidence of a change in his attitude toward the Government following the dis-

qualification motion. Shargel's summation lasted an entire day and occupies almost two hundred pages of transcript. Shargel assailed the Government's evidence in each of the racketeering acts charged against Napoli and reviewed the exculpatory testimony. Furthermore, he clearly was not seeking to curry favor with the prosecution when he claimed that the Government "paid their witnesses with a price that we could never afford," had intentionally overlooked its own witnesses' inconsistent statements, and had been overly "righteous and sanctimonious" in discrediting exculpatory testimony. The comprehensive and vehement nature of Shargel's summation refutes Napoli's claim. *See Nersesian*, 824 F.2d at 1321.

In none of the five instances complained of did Shargel's performance fall below an objective standard of reasonableness, and Napoli does not even attempt to demonstrate a reasonable probability that the result of the proceeding would have been different absent the allegedly unprofessional conduct.

VII. Prosecutorial Misconduct and Prejudicial Publicity Regarding the *Gotti* Case

On Friday, February 22, 1991, after the jury in the *Eisen* trial had begun deliberations, argument was heard on an application by the prosecution in the *Gotti* case to disqualify several of the defense lawyers in that case including Shargel, who was then representing Napoli in the *Eisen* trial. Napoli contends that the prosecutors in the *Gotti* case acted improperly by repeating in open court allegations made against Shargel in the Government's sealed papers, and that these allegations improperly affected the jury's deliberations in the *Eisen* case. Napoli also argues that the Court improperly denied his motion to sequester the jury.

"If a prosecutor abuses her discretion by intentionally attempting to distort the fact-finding process, then a due process violation exists." *United States v. Angiulo*, 897 F.2d 1169, 1191 (1st Cir.), *cert. denied*, 111 S. Ct. 130 (1990). But Napoli does not claim that the Government prosecutors in the *Gotti* case intentionally provoked press coverage with the aim of prejudicing the jury in the *Eisen* case, nor does he offer any evidence that the *Gotti* prosecutors even anticipated such a result. Moreover, the District Court took suitable precautions to ensure that the jury was not exposed to the press accounts of the allegations.

When the problem was brought to Judge Sifton's attention on the Friday of the hearing in the *Gotti* case, the Judge determined that he would speak with each juror individually in chambers about avoiding all news media over the weekend. Defense counsel objected to individual interviews, arguing that it would magnify the problem, and instead requested sequestration. The Judge denied sequestration, but conducted a general inquiry of the jury, asking the jury to avoid all news media over the weekend and providing a means by which concerned jurors could call the Court to ascertain the progress of then pending events in the Persian Gulf without resort to the media. The jurors gave their general agreement that they could comply.

The steps taken to protect the integrity of the jury deliberations were adequate under the circumstances. In *United States v. Casamento*, 887 F.2d 1141, 1154-55 (2d Cir. 1989), *cert. denied*, 493 U.S. 1081 (1990), this Court found that the "great deal" of media attention surrounding an organized crime trial did not render it unfair in light of Judge Leval's instruction to the jury to avoid press accounts about the case. We held that "[i]n the absence of

evidence to the contrary, we will presume the jury followed these admonitions and avoided exposure to news reports about the trial." *Id.* Although Judge Leval conducted an individual interview with the jurors, the defendants here specifically requested that no such individual *voir dire* be conducted for fear of magnifying the problem. *See also United States v. Gaggi*, 811 F.2d 47, 53 (2d Cir.), *cert. denied*, 482 U.S. 929 (1987).

Moreover, as in *Gaggi*, we may find confirmation of the jury's ability to render an impartial verdict in "the care which it took in its deliberations." 811 F.2d at 53. As the District Court noted in rejecting these claims post-trial, jury deliberations lasted from February 14 through March 4, 1991, with several notes sent out each day requesting to review exhibits or to have extensive testimony read back. And in its determination, the jury carefully distinguished among defendants and among predicate acts, finding 16 of 22 racketeering acts proven.

In the absence of any suggestion that the prosecutors in the *Gotti* case were acting in bad faith, in light of the fact that the allegations did not concern the trial in this case, the defendants on trial, or any of the events at issue in the case, and giving due weight to the district court's cautionary measures, we find no due process violation and reject Napoli's request for a new trial.

Furthermore, Napoli's claim that the District Court erred in denying his motion to sequester the jury in response to the *Gotti* proceedings is without merit. "The decision to sequester the jury to avoid exposure to publicity is committed to the discretion of the court, and failure to sequester the jury can rarely be grounds for reversal." *United States v. Salerno*, 868 F.2d 524, 540 (2d Cir.), *cert. denied*, 491 U.S. 907 (1989). Judge Sifton did

not abuse his discretion and his precautions seem entirely adequate to the remote threat of prejudice from the expected publicity concerning Napoli's attorney and his representation of another client in a completely unrelated matter.

VIII. Sentencing

Fishman, Napoli, Gabe, and Rella contend that the District Court erred in applying the Sentencing Guidelines in sentencing them on the RICO conspiracy count. Each of these defendants asserts that, for various reasons, his liability for participation in the conspiracy cannot extend past November 1, 1987, the effective date of the Guidelines. We conclude that the District Court correctly applied the Sentencing Guidelines to each of these defendants.

This Court has determined that persons convicted of offenses that began before and continued after November 1, 1987, (so called "straddle crimes") would, upon sentencing, be subject to the Sentencing Guidelines. *See United States v. Story*, 891 F.2d 988, 994 (2d Cir. 1989). The RICO conspiracy charged in this case ran from January 1981 to June 1990, and thus straddled the effective date of the guidelines. Moreover, the jury found three defendants—Eisen, Gabe, and Morganti—guilty of a predicate act of mail fraud in connection with the *Stanton* case, which included a mailing on March 29, 1988. Thus, the conspiracy of which the defendants were convicted continued after the effective date of the guidelines.

Gabe complains that the jury was not asked to determine whether the conspiracy straddled the effective date of the Guidelines. However, for purposes of applying the Guidelines, "the period during which an offense occurs is

considered a 'sentencing factor' to be determined by a judge—instead of an element of the offense to be determined by a jury." *United States v. Bloom*, 945 F.2d 14, 17 (2d Cir. 1991). The District Court did not err in finding by a preponderance of the evidence that the conspiracy extended beyond November 1, 1987. Gabe also argues that he should not have been sentenced under the Guidelines because he played a "minimal role" in the conspiracy. The extent of Gabe's role, while relevant in determining the appropriate length of his sentence within the Guidelines, *see* U.S.S.G. § 3B1.2 (Guideline adjustments for mitigating role in the offense), has no bearing on the threshold question of whether the Guidelines should apply to his conspiracy conviction.

Napoli argues that application of the Guidelines to his conviction violates *ex post facto* principles because he "did nothing after November 1, 1987 and did not plan anything which ultimately transpired after that date." Brief for Appellant Napoli at 140. The Court may find a continuation of conspiratorial liability even though the particular defendant has ceased to engage in overt conduct relating to the conspiracy prior to November 1, 1987, if it was foreseeable that the conspiracy would continue past that date. *See, e.g., United States v. Devine*, 934 F.2d 1325, 1332 (5th Cir.), *cert. denied*, 112 S. Ct. 349 (1991). This holding derives from the basic principle that conspirators are generally held liable for the known or reasonably foreseeable acts of all other co-conspirators committed in furtherance of the conspiracy. *See Pinkerton v. United States*, 328 U.S. 640, 647 (1946). Contrary to Napoli's contention, the acts of co-conspirators occurring after November 1, 1987, may be attributable to a defendant for purposes of the application of the Sentencing Guidelines in the absence of evidence that the

defendant somehow "caused" those acts. *See United States v. Rosa*, 891 F.2d 1063, 1068-69 (3d Cir. 1989) (applying Guidelines to co-conspirator who did nothing to further the conspiracy after 1986 in the absence of any proof that he affirmatively renounced the conspiracy prior to November 1, 1987). Defendants committing no acts in furtherance of a conspiracy after the effective date of the Guidelines are not subject to *ex post facto* punishment because they could have "taken steps to prevent the final element of the crime from occurring," *United States v. Alkins*, 925 F.2d 541, 549 (2d Cir. 1991), before the statute became effective; they could have withdrawn from the conspiracy. *See Rosa*, 891 F.2d at 1069. Napoli does not claim that he ever withdrew from the conspiracy.

Rella and Fishman contend that they affirmatively withdrew from the conspiracy before the effective date of the Guidelines. In order to demonstrate withdrawal from a conspiracy, the defendant has the burden of proving "some act that affirmatively established that he disavowed his criminal association with the conspiracy . . . and that he communicated his withdrawal to the co-conspirators." *United States v. Minicone*, 960 F.2d at 1108 (2d Cir. 1992) (citations omitted). "[M]ere cessation of conspiratorial activity is not enough" to satisfy this standard. *United States v. Nerlinger*, 862 F.2d 967, 974 (2d Cir. 1988).

Rella contends that he withdrew from the conspiracy when he left the firm as its "in-house" investigator in 1984. However, Rella continued to work for the firm on an *ad hoc* basis thereafter. The parties' stipulation that there was no showing that any of the work performed by Rella after 1984 was tainted by illegality does not alter the significance of Rella's continued association with the Eisen firm. The District Court correctly found that the

stipulation established, at most, Rella's "mere cessation" of illegal conduct, which was insufficient to prove his withdrawal from the conspiracy. *Id.* at 974.

Fishman contends that he affirmatively withdrew from the conspiracy before the effective date of the Guidelines by resigning his position at the Eisen firm in order to practice with another, independent law firm. Fishman relies on this Court's decision in *Nerlinger*, in which the defendant participated in a conspiracy to defraud the customers of a brokerage firm. The defendant's role in the conspiracy was to open and maintain a bogus account with the firm for the purpose of diverting profits fraudulently obtained by his co-conspirators. *Id.* We ruled that the defendant had withdrawn from the conspiracy before the conspiracy's termination by resigning from the brokerage firm and closing the account, reasoning that by doing so the defendant had foreclosed the possibility of further participation in the conspiracy and relinquished any claim to subsequent profits. *Id.* at 974-75. However, in this case the District Court found that there was evidence that, after leaving the law firm, Fishman "continued to be entitled to a percentage of the recovery on all cases he tried including those giving rise to his pre-1985 racketeering acts."

Fishman argues that he received an annualized salary from the Eisen firm and was not entitled to a percentage of the recovery of the cases he tried. Stephen DiJoseph, a cooperating co-defendant, testified that Fishman had told him that he was getting "a piece of the action on the cases he tried." Fishman faults the District Court for denying his request for a hearing on this disputed sentencing factor. However, the District Court has broad discretion to determine the procedure by which it will resolve disputed issues at sentencing, so long as it affords the defendant

some opportunity to rebut the Government's allegations. *See United States v. Prescott*, 920 F.2d 139, 143-44 (2d Cir. 1990). The District Court did not abuse its discretion in denying the hearing and was not clearly erroneous in concluding that Fishman failed to satisfy his burden of proving withdrawal from the conspiracy.[8]

Conclusion

We have considered appellants' other arguments and find them to be without merit. The judgments of conviction appealed from are all affirmed.

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8 The District Court also relied on another episode in determining that Fishman had not withdrawn from the conspiracy. The District Court found that in February 1988, Fishman, together with defendant Weinstein, sought to convince DiJoseph to lie to investigators in order to conceal his role in the *Schwartz* fraud. Fishman argues that such an effort constituted a later agreement between himself and Weinstein to conceal an earlier conspiracy and not a continuation in, or rejoining of, the original conspiracy. Post-conspiracy acts of concealment do not, without more, extend the life of the conspiracy after its main objective has been attained. *See Grunewald v. United States*, 353 U.S. 391, 399-402 (1957); *Krulewitch v. United States*, 336 U.S. 440, 442-44 (1949). Fishman, however, does not dispute that the original conspiracy was ongoing in February 1988, when he made the statements in question. Because the District Court found that Fishman did not effectively withdraw from the conspiracy when he resigned from the Eisen firm, Fishman was still a member of the conspiracy at the time of these efforts, and, clearly, acts or statements designed to conceal an ongoing conspiracy are in furtherance of that conspiracy. *See United States v. Beech-Nut Nutrition Corp.*, 871 F.2d 1181, 1199 (2d Cir.), *cert. denied*, 493 U.S. 933 (1989).

UNITED STATES COURT OF APPEALS
FOR THE
SECOND CIRCUIT

At a stated term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse in the City of New York, on the 20th day of October one thousand nine hundred and ninety-two.

UNITED STATES OF AMERICA,	
Appellee,	DOCKET
V	NUMBER:
LEONARD KAGEL,	91-1549(L)
Defendant,	91-1551,
MORRIS J. EISEN; JOSEPH P. NAPOLI;	91-1553,
HAROLD M. FISHMAN; DENNIS RELLA;	91-1554,
MARTY GABE: GERALDINE G.	91-1655,
MORGANTI; ALAN WEINSTEIN	91-1633,
Defendants-Appellants	92-1032,

A petition for rehearing containing a suggestion that the action be reheard in banc having been filed here in by counsels for Defendant-Appellants Morris J. Eisen, Joseph P. Napoli, Marty Gabe, Dennis Rella, and Geraldine G. Morganti.

Upon consideration by the panel that decided the appeal, it is

Ordered that said petitions for rehearing are DENIED.

It is further noted that the suggestions for rehearing in banc have been transmitted to the judges of the court in regular active service and to any other judge that heard the appeal and that no such judge has requested that a vote be taken thereon.

ELAINE B. GOLDSMITH,
Clerk

United States Court of Appeals
FOR THE SECOND CIRCUIT

Second Circuit Rule 27(a) governing use of this form is reprinted on reverse of Page 2 Note requirement that supporting affidavits be attached

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United States of America

Appellee,

– against –

Morris J. Eisen, *et al.*

Defendant-Appellant.

91-1549(L)

Docket Number

NOTICE OF MOTION
state type of motion

for Permission to submit supplemental letter in support of Petition for Rehearing.

MOTION BY: *(Name, address and tel. no. of law firm and of attorney in charge of case)*

John W. Mitchell, Esq.
LaRossa, Mitchell & Ross
41 Madison Avenue
New York, New York 10010
(212) 696-9700

Has consent of opposing counsel:		
A. been sought?	☒ Yes	☐ No
B. been obtained?	☒ Yes	☐ No
Has service been effected?	☒ Yes	☐ No
Is oral argument desired?	☐ Yes	☐ No
(Substantive motions only)		

Requested return date:
(See Second Circuit Rule 27(b))
Has argument date of appeal been set: N/A
A. by scheduling order? ☐ Yes ☐ No
B. by firm date of argument notice? ☐ Yes ☐ No
C. If Yes, enter date: _____
Judge or agency whose order is being appealed.

OPPOSING COUNSEL: *(Name, address and tel. no. of law firm and of attorney in charge of case)*

A.U.S.A. Faith E. Gay
United States Attorneys Office
Eastern District of New York
225 Cadman Plaza East
Brooklyn, N.Y. 11201
(718) 330-7896

EMERGENCY MOTIONS, MOTIONS FOR STAYS & INJUNCTIONS PENDING APPEAL

Has request for relief been made below? ☐ Yes ☒ No
(See F.R.A.P Rule 8)
Would expedited appeal eliminate need for this motion? ☐ Yes ☒ No

If No, explain why not:

N/A

Will the parties agree to maintain the status quo until the motion is heard? ☒ Yes ☐ No

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Brief statement of the relief requested: For an Order, pursuant to Rules 41 and 9(b) of the Fed.R.App.Pro., staying the issuance of the mandate pending determination of defendant's Petition for a Writ of Certiorari and for bail.

Complete Page 2 of This Form

By: *(Signature of Attorney)*

Signed name must be printed beneath
JOHN W. MITCHELL, ESQ.

Appearing for: *(Name of Party)*

Morris J. Eisen

Appellant or Petitioner:
☐ **Plaintiff** ☒ **Defendant**

Appellee or Respondent:
☐ **Plaintiff** ☐ **Defendant**

October 27, 1992
Date

ORDER _____
Kindly leave this space blank

IT IS HEREBY ORDERED that the motion be and it hereby is
granted **denied**

_____

_____

10/30/92 _____
Date **Circuit Judge**